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DOCTOR OF PHILOSOPHY

**Accounting Education in Libya
An Institutional Perspective**

Maatoug, Abubaker Gium Saad

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Abubaker Gium Saad Maatoug

2014

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Accounting Education in Libya: An Institutional Perspective

Abubaker G. Maatoug

**A Thesis Submitted in Fulfilment of the Requirements for the Degree of
Doctor of Philosophy**

**School of Business
Division of Accounting and Finance
University of Dundee
United Kingdom**

February 2014

In the name of Allah the Gracious the Merciful

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Dedication

I wish to dedicate this thesis to my beloved Parents to whom I am forever grateful.

I wish also to dedicate this thesis to my loving wife Enas, my daughter Rahf, my son Abd Alrhman and my Brothers, Sisters and their Families, for their wonderful ongoing love and support.

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Abbreviations

| | |
|----------------------|---|
| AAA | American Accounting Association |
| ACAA | The Institute of Chartered Accountants in Australia |
| ACCA | The Association of Chartered Certified Accountants |
| AECC | The Accounting Education Change Commission |
| AFAANZ | The Accounting and Finance Association of Australia and New Zealand |
| AICPA | The American Institute of Certified Public Accountants |
| APB | Accounting Principles Board |
| APBS | Accounting Principles Board Statements |
| BPC | Basic People's Conference |
| CIA | Central Intelligence Agency |
| CIMA | The Chartered Institute of Management Accountants |
| CIPFA | The Chartered Institute of Public Finance and Accountancy |
| CPA | Certified Public Accountant |
| CPA Australia | Certified Practising Accountants of Australia |
| DfEE | The Department for Education and Employment |
| EPSAs | The Exploration and Production Sharing Agreements |
| ERA | Excellence in Research for Australia |
| FASAB | Federal Accounting Standards Advisory Board |
| FASB | Financial Accounting Standards Board |
| FE | Faculty of Economics |
| FRS | Financial Reporting Standards FRS |
| FSA | The Federation of Schools of Accountancy |
| GASB | Governmental Accounting Standards Board |
| GDP | Gross Domestic Product |
| GNC | General National Congress |
| GNP | Gross National Product |
| GPA | General Point Average |
| GPC | The General People's Congress |
| GPCs | General Peoples Committees |
| IAESB | International Accounting Education Standards Board |
| IASs | International Accounting Standards |
| ICAEW | The Institute of Chartered Accountants in England and Wales |
| ICAI | The Institute of Chartered Accountants in Ireland |
| ICAS | The Institute of Chartered Accountants of Scotland |
| IEGs | International Education Guidelines |
| IESs | International Education Standards for professional Accountants |
| IFAC | International Federation of Accountants |
| IFRS | International Financial Reporting Standards |
| IIA | Institute of Internal Auditors |
| IMF | International Monetary Fund |
| IPA | The Institute of Public Accountants |
| IPC | Institute of Public Control (Libya) |
| IPSASB | International Public Sector Accounting Standards Board |
| ISA | International Standards on Auditing |
| LAAA | Libyan Accounting and Auditors Association |
| LBC | Libyan Central Bank |

| | |
|-------------------|--|
| MA | Master of Accounting |
| MHE&SR | Ministry of Higher Education and Scientific Research |
| NASBA | The National Association of State Boards of Accountancy |
| NATO | North Atlantic Treaty Organisation |
| NIE | New Institutional Economics |
| NIS | New Institutional Sociology |
| NTC | National Transitional Council |
| OECD | Organisation for Economic Co-operation and Development |
| OIE | Old Institutional Economics |
| PCs | People's Committees |
| PhD | Doctor of Philosophy |
| RCC | The Revolution Command Council |
| SAAPs | Statements of Standard Accounting Practice |
| SAICA | The South African Institute of Chartered Accountants |
| SEC | Security and Exchange Commission |
| SFAC | Statement of Financial Accounting Concepts |
| SFAS | Statement of Financial Accounting Standards |
| TFHES | Task Force for Higher Education and Society |
| UB | University of Benghazi |
| UK | United Kingdom |
| UN | United Nations |
| UNCTAD | The United Nations Conference on Trade and Development |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |
| US | United States |
| US GAAP | United States Generally Accepted Accounting Principles |
| USA | United States of America |
| USAID | The United State Agency for International Development |
| WTO | World Trade Organisation |

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Thank you all...

Declaration

I hereby declare that I am the author of this thesis; that the work of which this thesis is a record has been done by myself and that it has not previously been accepted for a higher degree.

Signed..... Date.....

Mr. Abubaker G. Maatoug

Certificate

We certify that Mr Abubaker G. Maatoug has worked the equivalent of nine terms on this research, and that the conditions of relevant ordinance and regulations have been fulfilled.

Signed..... Date.....

Professor Christine Helliard

Signed..... Date.....

Dr. Louise Crawford

Signed..... Date.....

Dr. Lissa Monk

Abstract

Accounting Education in Libya: An Institutional Perspective

This thesis employs a new institutional sociology perspective to investigate factors influencing accounting education practices in Libyan universities. For this purpose, two pieces of empirical work, a case study and an analysis of accounting textbooks used in Libyan universities, were conducted. The case study was undertaken at one Libyan university and included interviews of accounting academics, document analysis and observations. The findings of the case study informed the second part of the empirical work of this thesis analysing the accounting textbooks used in Libyan universities through interviews with accounting academics and a content analysis of accounting textbooks.

The main findings of this thesis indicate that accounting education practices in Libyan universities are largely shaped by coercive pressure emanating from the Libyan political context and political regime and a lack of funding that has fundamentally transcended normative or mimetic isomorphism from international accounting education practices. The influence of this coercive pressure also has led to embedded institutional logic of having a second job and not conducting research as the dominant logic of Libyan accounting academics. Hence, there is a lack of a systematic development and update of the accounting curriculum, syllabus and textbooks in Libyan universities leading to an outdated syllabus that is irrelevant to the needs of Libyan accounting students or to the profession. In addition, the teaching methods adopted to deliver the accounting syllabus are traditional methods such as lectures and tutorials that are led by teachers with little interaction with students which limits the skills development of Libyan accounting students.

Chapter 1: Introduction

Chapter 1

Introduction

1.1 Preface

Accounting education practices vary from country to country as a result of the differences in country-specific factors (Wallace, 1990; Lee, 1995, 2006; Wijewardenc and Yapa, 1998; Albrecht and Sack, 2000; Annisette, 2000; Parker, 2001; Howieson, 2003; Dixon, 2004; McGee, 2008; Gallhofer et al., 2009; Evans et al., 2010; Crawford et al., 2010; Pathways Commission, 2012). Helliard (2013) states that:

“...accounting education [practices] are all socially constructed and globally they have been influenced by their historical, social, economic, political and cultural contexts.” (p. 510).

Therefore, many studies have been conducted to examine these institutional factors effects on accounting education practices (Albrecht and Sack, 2000; Howieson, 2003; Dixon, 2004; Evans et al., 2010; Gallhofer et al., 2009; de Lange et al., 2010; Pathways Commission, 2012). Nevertheless, the majority of these studies investigate accounting education practices in developed countries, while there has been little attention paid to investigate accounting education practices in developing countries or any institutional factors that influence accounting academics' attempts to offer accounting education programmes that meet society's needs (Dixon, 2004; Gallhofer et al., 2009; Awayiga et al., 2010).

In many countries accounting education programmes at universities play a major role in educating accountants (Ahmad and Gao, 2004; McGee, 2008; Gammie and Kirkham, 2008; Farag, 2009; Gallhofer et al., 2009; Crawford et al., 2010; IFAC, 2013). This is also the case of Libya, as accounting education programmes at universities have been the main driver of the development of accounting education and accounting practice due to the lack of an established accounting profession with professional accounting education and

training programmes (Buzied, 1998; Ahmad and Gao, 2004; Shareia, 2010). Therefore, the effectiveness of undergraduate accounting programmes in Libyan universities is essential to provide well-rounded accounting graduates that can make a positive contribution to the Libyan accounting profession, Libyan business and Libyan society at large.

University level accounting education has expanded rapidly in the last three decades in Libya, in line with the expansion of the Libyan higher education sector in general. Nevertheless, studies indicate that undergraduate accounting education is deficient and that academics face many obstacles and problems that hinder its development (Mahmud and Russell, 2003; Ahmad and Gao, 2004; Abulghasim, 2006; Shareia, 2010; Laga, 2013). In spite of this, academic research has not focused on examining the problems affecting accounting education practices in Libyan universities from any theoretical perspective. In general, there is a dearth of academic research that investigates or evaluates aspects of accounting education in Libyan universities such as the impact of external institutional pressures; these include historical, political, economic and social factors on the development of the accounting curriculum and syllabus, teaching methods and accounting textbooks and the organisational logic of the Libyan academy.

All the above has motivated the researcher to investigate the current practices of accounting education in Libyan universities, in particular, looking at the institutional factors influencing these practices and the dominant organisational logic of accounting academics which are explored and interpreted using a new institutional sociology perspective.

1.2 Research Objective and Questions

The primary objective of this research is to investigate the influences over accounting education in Libyan universities. In particular, the following research questions are examined:

1. What institutional pressures (factors) influence accounting education practices in Libyan universities?
2. What is the dominant logic of Libyan accounting academics?

1.3 Scope of the Research

This thesis employs an interpretive paradigm and a new institutional sociology perspective to investigate and interpret the evidence collected via the empirical work of this thesis about the factors influencing accounting education practices in Libyan universities and the dominant organisational logic of Libyan accounting academics. A combination of research methods is used to answer the research questions: a case study that includes semi-structured interviews, observations and collection of documents; and semi-structured interviews and content analysis of accounting textbooks. First, the case study examines accounting education practices in one Libyan university (University of Benghazi (UB)) and explores the different institutional pressures that influence the development of accounting curriculum and syllabus and the teaching methods used and the dominant organisational logic of accounting academics. Second, the semi-structured interviews and content analysis is used to explore the institutional influences over the selection and use of accounting textbooks and references in Libyan universities as from the case study it appeared that the lack of textbooks and referencing material is an important factor that contributes to the decoupling of current accounting education practices at UB from normative practice.

A new institutional sociology perspective has been selected because using such a perspective is significant to the Libyan context and to the aims of this thesis, given the country-specific historical, cultural, social, economic and political factors that need to be considered when researching influences over undergraduate accounting education. Moreover, undergraduate accounting programmes are situated within Libyan universities which are significantly affected by external coercive institutional isomorphism (Meyer and Rowan, 1977; DiMaggio and Powell, 1991; Meyer and Rowan, 2006; Levy, 2006; Scott, 2008; de Lange et al., 2010) as result of their heavy reliance on Libyan state financing and support (El-Hawat, 2003; Ahmad and Gao, 2004; Tamtam et al., 2011). Thus, employing a new institutional sociology perspective is a suitable lens through which to analyse and understand the effects of these institutional pressures on accounting education practices at Libyan universities, as well as the reactions and behaviours of Libyan accounting educators to those pressures.

1.4 Structure of the Thesis

This thesis comprises eight chapters. Chapter 1 presents an introduction about the research topic and focus, objectives, questions and structure. Chapter 2 outlines the Libyan context including general background of the country and its demographic, social, historical, political environment as well as the development of higher education, accounting education and accounting profession in Libya.

Chapter 3 reviews the literature related to accounting education, such as the historical development of accounting education, and criticisms and problems encountered by accounting education, first in the west (USA, UK and Australia) and then in developing countries in general. Chapter 4 discusses the theoretical framework adopted to understand and interpret the research findings. A new institutional sociology perspective is used in this

thesis to explore the types of institutional pressures which have shaped current accounting education practices and the organisational logics of Libyan accounting academics in Libyan universities.

Chapter 5 describes the research methodology and methods, and justifies the selection of the research paradigm, methodology and methods that are adopted in this study. An interpretive methodological approach is adopted to provide an explanation of the institutional factors influencing accounting education practices and the organisational logics of accounting academics within Libyan universities.

Chapters 6 and 7 presents and analyses the findings of the empirical work, a case study and an analysis of textbooks through interviews and content analysis, respectively. These methods are adopted to collect the primary data of this thesis. The case study investigates accounting education practices in one Libyan university to identify the institutional factors influencing them and the logics of accounting academics. The textbooks chapter uses interviews and content analysis to investigate the textbooks used on accounting education programmes in different Libyan universities and how their availability and content influence the programmes. Chapter 8 then summarises the key findings of the current study, outlining contributions to knowledge and the main limitations of the study, and suggesting avenues for further research.

Chapter 2: The Libyan Context and Libyan Accounting Education

Chapter 2

The Libyan Context and Libyan Accounting Education

2.1 Introduction

The study of the historical, social and political context of a nation is significant for understanding the structure and practices of accounting education in that nation (Agami and Alkafaji, 1987; Wallace, 1990; Ndzingo and Briston, 1999; Dixon, 2004; Lovell and Dixon, 2004). Gallhofer et al. (2009) point out that national history and culture influence the type of challenges and factors that face undergraduate accounting education practices in developing countries, such as Arab countries, which also may differ than those of the western countries. This chapter aims to provide a background to the demographic, social, historical and political characteristics of Libya. It also outlines the development of higher education, accounting education and accounting profession in Libya. Such information is significant to identify the institutional factors that may influence undergraduate accounting education practices in Libyan universities. The chapter is structured as follows. Section 2.2 presents a background to Libya including: demographic and social characteristics and historical and political development. Section 2.3 outlines the development of Libyan higher education. Section 2.4 discusses accounting education in Libya. Section 2.5 focuses on the accounting profession in Libya. Section 2.6 summarises the chapter.

2.2 Background to Libya

Libya is located at a strategic geopolitical site that links Arab, African, Islamic and European cultures. Libya's identity has been influenced by its relationship to these different aspects. Throughout the history of the country, various aspects of the collective identity of Libya have emerged at different times (Obeidi, 2001; Ahmad and Gao, 2004; Ritchie and Khorwatt, 2007; Ahmida, 2012). This section presents a general background to Libya including demographic, social, historical and political issues.

2.2.1 Demographic and Social Characteristics of Libya

The State of Libya is the official name of Libya¹. Throughout this study, it is referred to as “Libya”. Libya is a developing Arab, African, and Islamic state located in the centre of North Africa. The area of Libya is about 1,759,540 square kilometres, making it the fourth largest country in Africa by area, and 17th largest in the world (United Nations Statistical Division, 2006; CIA, 2012). As shown in Figure 2.1, the country is bounded by the Mediterranean Sea to the north, Tunisia and Algeria to the West and Egypt and Sudan to the East and South East. Its southern border meets Chad and the Niger Republic. The country has long Mediterranean coastline of 1,770 kilometres which affects the climate of the northern part of the country, whilst the rest of the country is affected by the great Sahara desert of Central Africa (CIA, 2012). Therefore, most of Libya’s population live around the coastal strip next to the Mediterranean Sea, and more than one third of the population live in the two major cities of Tripoli (the Capital) and Benghazi (Oxford Business Group, 2008).

Figure 2.1 Map of Libya



Note: this figure shows Libya’s geographic location.

¹ The General National Congress (GNC) adopted the “State of Libya” as the country’s official name on 8 January 2013 and at least until the approval of the new constitution.

Libya has a smaller population compared to its North African counterparts. As demonstrated in Table 2.1, Libya's population was 1,088,873 million in 1954 and this number climbed to slightly above two million in 1973. The population of Libya is now estimated to be about 6.7 million people in 2012 (United Nations Statistical Division, 2012). Moreover, Table 2.1 illustrates that the evolution of the Libyan population and the annual growth rate indicate that the growth rate was high (about 4%) in the 1960s, 1970s and 1980s but declined during the 1990s (about 1.7%). This difference might be as a result of the development plans of 1970-1985 which led to an improvement in standards of living in Libya but these plans were stopped during the 1990s, coupled with the US and UN sanctions on Libya at the same period of time. Nevertheless, the growth rate rose once more in 2000s (2.3%) after the lifting the UN and US sanctions in 2003 and 2004 respectively and opening up to the world.

Table 2.1 Libya's Population Estimates and Growth Rates 1954-2012

| Year | Population (thousands) | Annual Growth Rate % |
|------|------------------------|----------------------|
| 1954 | 1,088,873 | |
| 1964 | 1,564,369 | 3.7 |
| 1973 | 2,249,237 | 4.1 |
| 1984 | 3,642,576 | 4.5 |
| 1995 | 4,799,065 | 1.7 |
| 2006 | 5,657,692 | 2.3 |
| 2012 | 6,700,000 (estimated) | 2.007 |

Source: General Population Census 2006; The Five year-Plane 1980-1985, United Nation Statistical Division, 2012, CIA, 2012.

Note: This table presents estimates and growth of Libya's population 1954-2012.

The present population of Libya is composed of several distinct groups. The majorities of population are primarily Arab or a mixture of Arab-Berber ethnicities, with a small minority of Berber-speaking tribal groups such as "Amazigh" and "Tuareg". Additionally, Libya is home to other nationals including Greeks, Italians, Maltese, Egyptian, Turks and other (Zoubir and Rózsa, 2012; CIA, 2012). The official and main language is Arabic but

English is spoken and used extensively in business activities in the main urban cities and Italian and French are spoken but by a lesser degree. In addition, small minorities speak Berber dialects in particular Tamazight (Amazigh tribe language) and Tamahaq (Touareq tribe language) (Zoubir and Rózsa, 2012; CIA, 2012).

However, the culture of Libyan society is characterised by the Arab and Islamic culture. In particular, the Arabic language, the Islam religion, the extended family, tribe and clan values largely shape the life of the Libyan society (Aгнаia, 1997; Zoubir and Rózsa, 2012). Moreover, Islam is the official religion, and approximately 97 per cent of Libyans are Muslim and the vast majority of them adhere to the Sunni branch of Islam (Sicker, 1987). Nevertheless, a minority of Libya's population adhere to Ibadism, which is one of earliest branches of Islam. Furthermore, there is a small Christian community of Coptic Orthodox Christianity and even smaller numbers of Hindus, Baha'is, and Buddhists, consisting exclusively of foreigners (Oxford Business Group, 2008; Zoubir and Rózsa, 2012).

2.2.2 Historical and Political Background of Libya

Libya has been subject to waves of military invasions and colonisations throughout history until its independence in 1951 (Wright, 2010; Pargete, 2012; Ahmida, 2012). Table 2.2 presents a chronological order of major events in Libya's history. During Ottoman control, Libya had an economy that mainly depended on primitive agriculture. As a result of the low and irregular level of rainfall and shortage of financial resources, the agricultural activities were limited to subsistence crops and livestock production which also were used as raw materials for small industries in the country such as food and clothes (Buzied, 1998). At the same period, the country had no infrastructure such as roads, ports and rail roads (Buzied, 1998).

Table 2.2 Major Events in Libya's History

| Date | Event |
|---------------------|---|
| Prior to 642 | Foreign powers of Phoenicians, Numedians, Ptolemies, the Byzantine Empire, Vandals, Romans, and Greeks colonised Libya for different length of time. |
| 642-1510 | Libya came under Arab Islamic rule: during this time, Libya was under the control of different Islamic states. |
| 1510-1551 | Tripoli the main city of Libya occupied by Habsburg Spain. |
| 1551-1911 | Libya returned to the Islamic rule as it was occupied by the Ottoman Turks Empire. |
| 1911-1943 | Italy invaded Libya in 1911: Italian occupation of Libya lasted for more than three decades until the defeat of Italy in World War Two in 1943. |
| 1943-1951 | Libya controlled by British and French administration: the allied forces worked as caretakers of Libya for a transitional period aimed to achieve Libya's independence. |
| 1951-1969 | The United Nation declared Libya as independent state under the name of United Kingdom of Libya in 1951. In this period, Libya was a constitutional and hereditary monarchy under King Idris Al-Sanussi. |
| 1959 | Significant reserve of oil discovered in Libya: this became a turning point in the history of the country leading to a radical change in the Libya's socio-economic position from one of the poorest countries to establish a reasonably wealthy state, and becoming one of the important oil producers. |
| 1969 | A military coup in September 1969 overthrows King Idris Al-Sanussi: the country ruled by the Revolution Command Council (RCC) led by Gaddafi and the name of Libya was changed to become the Libya Arab Republic. Several radical changes based on Islamic Sharia Law and the Arab socialist path re-shaped the Libyan social, politics and economic environment. |
| 1970 | The evacuation of the American and British military bases and nationalising foreign banks, insurance companies and the local oil product distribution networks of three oil companies which ended the foreign economic domination of the Libyan economy. |
| 1973-1977 | Gaddafi initiated the Culture Revolution which led to the formation of "People's Committees" as a system that aimed to encourage Libyans to be directly involved in administering their political affairs. This led to consequences on the political and media arena and marked the start of Gaddafi's monopoly of power as all laws were abolished, political parties forbidden and opponents to Gaddafi's views imprisoned or exiled outside Libya. |
| 1977-2011 | Based on Gaddafi's views outlined in the Green Book, the "People's Authority" system was established to replace the RCC: the General People's Congress (GPC) acted as parliamentary body (highest legislative authority). |
| 2011-Now | On 17 th February 2011 Libyans upraised against Gaddafi's monopoly of power: this led to the murder of Gaddafi in October 2011 and the establishment of National Transitional Council (NTC) as a governing body of Libya. After parliamentary elections, the NTC was replaced by the General National Congress (GNC) in August 2012. The GNC is the legislator and formed an interim government in October 2012 to run the country. |

Note: this table provides a chronological order of the most important events in the history of Libya.

In the first two decades of the Italian occupation of Libya, there was significant resistance from Libyans and the country was in a state of war. However, Libya's economic situation

was enhanced compared to the Ottoman control period especially after 1932 when substantial investment in agriculture and industry was made by the Italians. However, Libyans were left in very poor living conditions as the economy was run fundamentally for the advantage of the Italians (Buzied, 1998; Obeidi, 2001; Ahmida, 2012). The International Bank for Reconstruction and Development (1960) reported:

“...the Libyans paid heavily for what the Italians achieved, they were pushed off the best farming land in the country, large numbers of their livestock were lost in the fighting...and their traditional industries suffered severely from competition from Italian products. Moreover, the Italians did little or nothing to prepare the Libyan people for self governance.” (p. 27).

During World War Two the Libyan economy was badly affected as many factories, farms, and livestock were destroyed (Buzied, 1998; Obeidi, 2001). After World War Two Libya was administered by British and French military administrations which worked as caretakers of the country in a transitional period towards Libya independence.

Libya become an independent state in 1951 under the rule of King Idres Al-Sanussi and named the United Kingdom of Libya. The country relied on external aid through the UN agencies which primarily came from the USA and UK to face difficult economic conditions (Buzied, 1998). As a result, Libya formed strong political and economic ties with the UK and USA which both had military bases in Libya for over two decades starting in 1953 (Wright, 1982; Vandewalle, 2006).

A turning point in Libya's modern history was the discovery of oil reserves in 1959. The revenues from oil sales allowed the country to overcome its deficit and create a surplus in the balance of trade leading to a substantial increase of GDP and per capita income (Mahmud, 1997; Mahmud and Russell, 2003). Therefore, Libya became one of the important producers of oil and a reasonably wealthy state that still largely depends on the oil sector until now (Mahmud, 1997; Mahmud and Russell, 2003).

Despite a significant improvement in the economy and infrastructure in the 1960s, dissatisfaction appeared amongst Libyans due to the domination of the nation's wealth by the ruling elite and the Italian settlers and the rejection of many Libyans of the pro-western political policies adopted by King Idris Al-Sanussi (Oxford Business Group, 2008; Ahmida, 2012). This dissatisfaction gained additional momentum with the rise of the Arab Nationalism, particularly among younger generation of Libyans who started to call for change, inspired by Egyptian President Jamal Abdel Nasser (1953-1970) and the call for Arab Nationalism, Pan-Arabism and restoration of the Islam-Arab identity on its own cultural foundation (Oxford Business Group, 2008; Ahmida, 2012).

As a result, in September 1969, several pan-Arab and Nasser-inspired officers in the Libyan Royal Army, led by Colonel Gaddafi, seized power through a military coup (Wright, 2010; Pargete, 2012). These officers formed the Revolutionary Command Council (RCC) as a governing body chaired by Gaddafi, and changed the name of the country to the Libyan Arab Republic (Wright, 2010; Pargete, 2012; Ahmida, 2012). To consolidate his power and gain more popularity, Gaddafi announced his intention to place Libya on the path of anti-imperialist, anti-communist, and anticorruption, with additional ideological connections to Arab nationalism and Islam (Ahmida, 2012). Therefore, the new regime began to adopt and implement a series of reforms and policies under the direct leadership of Gaddafi which significantly impacted on Libya's political, economic and social context in the next forty two years.

The new regime started with the request of all companies that were operating in Libya to be controlled by Libyans, with banks and oil companies being particularly affected. The British and American military bases in Libya were also requested to leave immediately which occurred in March and June 1970 respectively. Most of the European and American

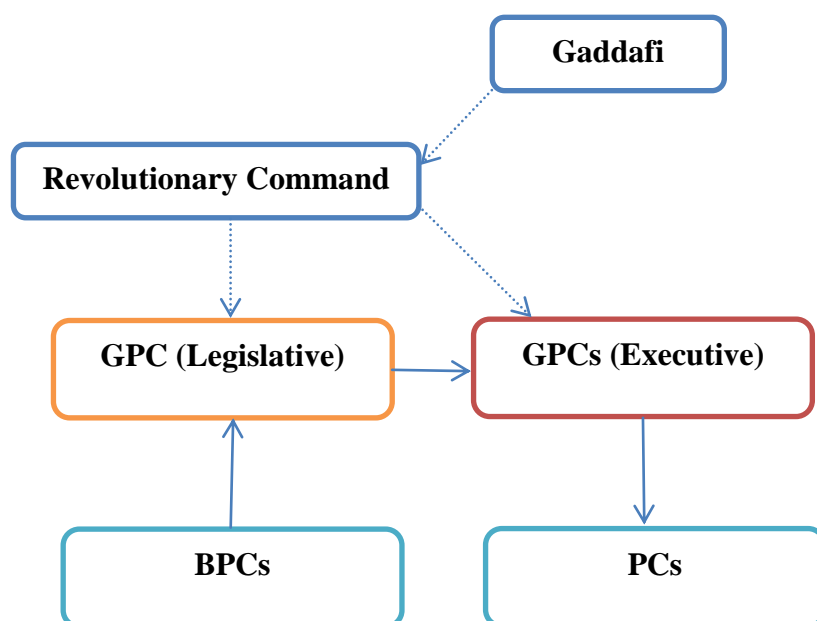
experts were replaced by Arabs, primarily from Egypt. The Arabic language alone was permitted for official stationery and publications (Buzied, 1998; Ahmida, 2012).

Moreover, Gaddafi announced “the Cultural Revolution” in 1973 to encourage more participation of people in political life by establishing “the People’s Committees” to administer domestic and regional administration. After that Gaddafi outlined his political, economic and social views in the Green Book in 1975 which introduced a Government of Masses based on direct democracy, which later developed to become “the People’s Authority”. This concept is based on “Shura” Islamic jurisprudence, an Arabic word for consultation, where under Islam all decisions for the Muslim community should be based on Shura of the Muslim society (Esposito, 1998).

As a result, the General People’s Congress (GPC) was established in 1977 as the highest national legislative body instead of RCC. The official name of the country was changed to the Socialist People’s Libyan Arab Jamahiriya and the GPC was delegated all legislative and executive authorities of the country. The GPC later declared that all Libyans exercise their authority via the Basic People Congresses (BPCs) and the People’s Committees (PCs), as shown in Figure 2.2. Both were founded in all areas across Libya and male and female Libyans aged 18 years were required to take part in direct consultation and consensus in their local BPCs. The structure of each BPC included two bodies: a secretariat of conference and an administrative committee, and a PC as an executive committee that implemented the decisions and recommendations of the BPC. All BPCs were members of GPC as well as representatives of professional associations and unions. People in BPCs discuss and consult on an annual agenda of their local community and the country’s general issues and make their decisions and recommendations about them. These are later passed up to the GPC to consider the process of making national policies. Nevertheless, the GPC

vested executive authorities to the General Secretariat of GPC and General People's Committees (Ministries). The latter members are secretaries of Libyan ministries and act as the Libyan government and are responsible for implementing national policies (Wright, 1982; Zagoub, 2011). During the period of the implementation of this system 1977-2011, Gadhafi himself held a senior position as “the leader of the revolution” and through his revolutionary instructions practically ruled the country (Porter and Yergin, 2006; Zoubir and Rózsa, 2012; Ahmida, 2012).

Figure 2.2 The Structure of Libyan Political System 1977-2011



Note: this figure presents the structure of Libyan political system 1977-2011.

GPC= General People's Congress; GPCs= General People's Committees; BPCs= Basic People's Congresses; PCs= People's Committees

Moreover, the implementation of this system faced many difficulties and barriers including: (i) the continued restructuring of the system's legislative and executive institutions, which affected the stability of public institutions and the efficiency and effectiveness of public polices in various areas and sectors; (ii) the concentration of the power of decision making in the hands of leadership of GPC and secretaries of GPCs which contradicted the main aim of the system of decentralisation of decision making; (iii)

the constant intervention of Gaddafi in all major decisions of GPC and GPCs which reduced the Libyan people's trust of the effectiveness of this system as Gaddafi had an upper hand in all the most important decisions (Mogherbi, 2005; Porter and Yergin, 2006; Zoubir and Rózsa, 2012; Ahmida, 2012).

During Gaddafi's rule Libya had an unstable relationship with the west particularly the USA and UK. For example, many events during the late 1970s and 1980s between Libya and the US eventually led to the banning of all exports except food and medicine to Libya in 1982 as well as the importation of Libyan oil into the USA (Vandewalle, 2006). In 1986, additional American economic sanctions were imposed against Libya, including the freezing of Libyan assets in USA, a total ban on direct import and export trade, commercial contracts, and travel-related activities including students. This escalated further when the US attacked Tripoli and Benghazi in April 1986, in retaliation for a bombing in a Berlin discotheque (Vandewalle, 2006).

Moreover, Libya suffered from UN sanctions in the 1990s. The Libyan government was accused of ordering the Lockerbie bombing of Pan Am flight no.103 in 1988. As a result, the UN imposed a number of sanctions on Libya in 1992 to force the Libyan government to hand over the two suspected Libyans for trial in a special court. These sanctions restricted Libya's diplomatic representation in other countries and banned flights from and to Libya, the sale of aircrafts and their parts, supply of arms and related materials. In addition, in 1993 the UN, after strong pressure from the USA, imposed additional sanctions including freezing Libyan government owned or controlled assets and all funds and financial resources abroad except funds related to petroleum, air communications, oil equipment and banned the transfer of money or assets to Libya (Zoubir and Rózsa, 2012; Ahmida, 2012).

The American and UN sanctions had negative influences on Libya. The country faced many difficulties such as an increase in the costs of raw materials that led to a rise in prices of goods produced in Libya and limitations on the importation of goods and some goods were stopped completely as companies faced restrictions to get foreign exchange that they needed to import these goods (Aгнаia, 1997). Additionally, business visits to Libya were constrained and Libya's market share of exports also declined as a result of the sanctions. For example, Porter and Yergin (2006) noted that Information Communication Technology infrastructure in Libya was poor as the government was restricted on supplies of technology and expertise during the period of sanctions. Agnaia (1997) indicated that during the 1990s Libyan companies found it difficult to import many kinds of facilities, equipment or spare parts particularly from western countries that could assist Libyan development programmes.

The international sanctions against Libya were suspended in 1999 following the handover of the two suspected Libyan citizens by Libyan authorities to Holland to be tried in a special court. These sanctions were officially lifted by the UN in August 2003, after the Libyan government reached a settlement with the families of the Lockerbie victims. In 2004, the American embargo lifted after the Libyan government declared it would abandon its Weapons of Mass Destruction programmes. This resulted in Libya being again reintegrated into the international community (Porter and Yergin, 2006; Zoubir and Rózsa, 2012; Ahmida, 2012).

On 17th February 2011, Libyan people across the country rose against Gaddafi's rule of Libya. In the absence of an organised political opposition, Libyan people protested and encountered the security forces leading to many deaths (Zoubir and Rózsa, 2012). Consequentially, an armed conflict started between forces loyal to Gaddafi and opposition

forces seeking to oust him. The National Transitional Council was later set up by leaders of civil society and defectors from Gaddafi government to lead the rebellion and be the interface with various powers that supported the overthrow of Gaddafi (Zoubir and Rózsa, 2012; Ahmida, 2012). Following these events, the Security Council adopted resolution 1973 on 17th March 2011 which led to international intervention, led by NATO, to end all attacks against civilians, protection of civilians, a no-flyzone, and enforcement of the arms embargo, a ban on flights and an asset freeze on Gaddafi regime. Therefore, the international community refused to recognise the Gaddafi government as the legitimate representative of the Libyan people and, gradually, the NTC formed an Executive Committee as an interim governing body and it was bilaterally recognised by other countries as the legitimate ruling authority in Libya. In October 2011, Gaddafi's rule of Libya ended after his death, and the NTC became the sole governing body of Libya. In July 2012 and for the first time in five decades, the Libyan people voted for electing their members of the General National Congress (GNC) as the constitutional assembly which was delegated to draft a constitution for Libya within an 18 month timeframe. After this, the GNC formed a transitional government to be responsible for implementing national policies. The GNC is also in the process of redrafting (in 2014) the majority of all state legislation, as well as policy formation practices abolishing those inherited from Gaddafi's time. The next section outlines the development of higher education system in Libya during these tumultuous years.

2.3 Development of Libyan Higher Education

According to Wright (1982) Libya had no education system during Ottoman rule which resulted in most Libyans being illiterate. The Italians also did not pay attention to educating Libyans during their occupation of Libya (Buzied, 1998; Ahmida, 2012) as the International Bank for Reconstruction and Development (1960) reported:

“Education and technical training were neglected, and Libyans were virtually excluded from the administration. As a result, through no fault of its own, Libya has remained heavily dependent on foreign administrative and technical personnel and the training of Libyans to replace them was the most difficult of all the problems associated with economic development.” (p. 27).

The situation improved in the period of 1943 to 1951 under British and French as many primary and secondary schools were opened to educate Libyans; however the illiteracy rate continued to be over 90 per cent in the 1950s as many Libyans could not join the schools due to poor living conditions (Zarough, 1973; Buzied, 1998; Ahmad and Gao, 2004). Moreover, at that time few Libyans studied at university or were qualified as professionals which caused a lack of indigenous administrators, planners, regulators and professionals including professional accountants and educators (Ahmad and Gao, 2004; Agania, 1997).

Therefore, after independence in 1951 the Libyan authorities established general educational programmes for all education levels from primary level to university level, including accounting education. These programmes were supported heavily by the UN advisors including experts from the UK and the USA. Moreover, Libya depended greatly on Egypt for supplying teaching staff, administrative staff, textbooks and educational equipment (Zarough, 1973). This still persists in the system today which, as shown in Table 2.3, generally consists of four levels of education, namely pre-school, primary education, middle education and training, and higher education.

Table 2.3 Libya’s Education Levels

| Pre-School | Primary | Middle Education and Training (Pre-University Level) | University and Higher Education |
|-------------------|--------------------------------|---|--|
| Age 4–5 | Primary (age 6–12) | Secondary (age 16–18) | University (age19+) |
| | Preparatory (age 13–15) | Technical (age 16–18) | |
| | | Colleges (age 16-18) | |

Note: this table presents different levels of education in Libya.

The first higher institution in Libya was “the Libyan University” which was established in 1955 with campuses in Benghazi and Tripoli, and gradually grew to include faculties of Arts and Education, Science, Economics and Commerce, Law, and Agriculture, Engineering, Medicine, and Arabic and Islamic Studies. During the last five decades, the number of Libyan universities increased to reach 13 universities across Libya, as shown in Table 2.4.

Table 2.4 Growth in the Number of Libyan Public Universities 1955-2013

| Year | 1955 | 1973 | 1985 | 1995 | 2005 | 2013 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Institution | | | | | | |
| Comprehensive University* | 1 | 2 | 5 | 5 | 10 | 10 |
| Specialised University** | 0 | 0 | 5 | 5 | 1 | 2 |
| Open University | 0 | 0 | 0 | 1 | 1 | 1 |
| Total | 1 | 2 | 10 | 11 | 12 | 13 |

Sources: Elzalitni, 2008; Ministry of Higher Education and Scientific Research, 2013.

* Refers to university that teach many subjects

** Refers to university that teach one subject (engineering, art, law) and they do not offer accounting education programmes.

In 1973, the Libyan University was divided into two separate and independent universities; the University of Tripoli and the University of Benghazi, later renamed the University of El-Fateh and the University of Garyunis. During the 1980s and 1990s the two universities were restructured and others were created resulting in a total of 11 public universities by 1995, comprising 76 specialised faculties and more than 344 specialised scientific departments (El-Hawat, 2003; Elzalitin, 2008). The number of universities increased to 12 by 2005 which increased to 13 now² (Ministry of Higher Education and Scientific Research, 2013).

² Higher education programmes in Libya are also provided through higher technical and vocational institutions including polytechnics; higher teacher training institutes; higher institutes for trainers and higher institutes for technical, industrial and agricultural sciences. These institutions only offer three years programmes leading to “High Diploma”.

As presented in Table 2.5, the number of students enrolling in all comprehensive public universities also increased sharply from hundreds in 1950s to reach about 322,478 students and lecturers numbers also rose to 15,878 lecturers in the academic year of 2011/ 2012 (Ministry of Higher Education and Scientific Research, 2012 ; European Commission, 2012). In terms of students, University of Benghazi and University of Tripoli are the largest with 84,026 and 83,855 respectively. In contrast, University of Tripoli is the largest in terms of lecturers with 3,624 followed by University of Benghazi with 2,687 lecturers.

Table 2.5 Number of Students and Lecturers in Libyan Public Universities 2011/2012

| University | No of Students | No of Lecturers |
|------------------------------|-----------------------|------------------------|
| University of Benghazi | 84,026 | 2,687 |
| University of Tripoli | 83,855 | 3,624 |
| University of Al-Zawya | 35,500 | 1,058 |
| Omer Al-Mukhtar University | 33,035 | 1,716 |
| Al-Jabal Al-Garbi University | 17,649 | 1,478 |
| Al-Mergab University | 31,030 | 1,538 |
| University of Musrata | 16,206 | 1,002 |
| University of Sabha | 15,945 | 1,045 |
| University of Sirte | 10,811 | 561 |
| Al-Zutonah University | 10,626 | 1,169 |
| Total | 322,478 | 15,878 |

Source: Ministry of Higher Education and Scientific Research, 2012.

Note: this table presents the number of students and lecturers in Libyan comprehensive public universities in the academic year of 2011/2012

Higher education in Libya is free to all Libyans and funded totally by the Libyan government. All public universities are independent to some extent but they work under the supervision of the Ministry of Higher Education and Scientific Research (MHE&SR), which is responsible for implementing the national policy for higher education and acts as a

coordinator between these universities (General People's Committee. 2008). Universities are governed by a Committee chaired by the chancellor and his deputy and each faculty is represented by the dean. These committees are responsible for implementing the general policy of higher education set by the MHE&SR at university, faculty and department levels (General People's Committee. 2008). The chairman and his deputy are appointed through a decree from the prime minister upon a recommendation of the MHE&SR (General People's Committee. 2008). Furthermore, the National Centre for Quality Assurance and Accreditation of Educational and Training Institutes is responsible for the recognition and equivalence of diplomas, accreditation and quality assurance of the higher education institutions.

The significant development of education sector in Libya is supported by the statistics that show that the literacy rate reached 89% in 2011 compared to 40% in the 1970s and this is significantly higher than that of the average MENA countries of about 77% (UNESCO, 2013). However, Taghavi (2013) indicated that "Although these figures on education spending and outputs place Libya amongst the top countries of the world, the reality (outcome) has been somewhat different" (p. 1). Studies conducted on higher education in Libya suggest that graduates failed to meet the needs of the job market (Alfaidy and Ibrahim, 1997; El-Hawat, 2003; Albadri 2006 and 2007; Aldhaif et al., 2001; Elzalitni, 2008; Triki, 2012; Eljarh, 2012). Al-Hawat (2003) stated:

"Such institutions are normally established at a quick pace and under social pressure without consideration for the basic requirements of university work....These universities and colleges tend to produce graduates, whose education is mostly inadequate, inflicting negative results on society rather than bringing positive results." (p. 397).

In addition, Vandewall (2006) suggested that limited and changeable curricula, the shortage of qualified educators, and a strong tendency to learn by rote instead of by

reasoning were the main shortcomings of the educational programmes in Libya. Porter and Yergin (2006) noted that:

“Despite high literacy levels and enrolment ratios, the Libyan education system is not providing the skills required to drive the economy forward. The system suffers from poor quality curricula, teachers and infrastructure; and from structural problems such as the lack of objective standards and inefficient allocation of public resources.” (p. 4).

Porter (2006) also supported this view stating “Current education does not provide a ‘job-ready’ work force. The education system is disconnected from the demands of the job market” (p. 40). In this regard, Zubi (1994) stated:

“Despite the increasing and rapid expansion in the educational system, the raising figures for enrolment... the country still suffers from acute shortage of the well qualified and skilled human resources that should meet the country’s socio-economic development and transformation plan and run the increase number of large industrial establishment like the oil industry, where a large number of foreign personnel still occupy core functions.” (p. 164).

Universities were affected by the political environment of Libya particularly after Gaddafi declared the “Cultural Revolution” in 1973 that led to restrictions on human rights such as freedom of speech and civic organisations such as workers and students unions (Metz, 1987; Alfani et al., 1998; Herwees, 2011). One major source of tension from Gaddafi’s regime was the constant intervention to control and politicise education at all levels, which was rejected by Libyan students in Tripoli and Benghazi universities in the 1970s, who created their own independent union and organised mass protests to claim their freedom (Metz, 1987). On 7th April 1976, the government reacted with violent force and sent troops to the universities to attack the students and many of them were arrested and several killed (Metz, 1987; Herwees, 2011). This later led to the creation of “Revolutionary Committees” from students and lecturers loyal to Gaddafi in universities to monitor students’ and lecturers’ political activities. On the same day in the following year, 1977, the regime started a tradition of marking the anniversary of the 1976 uprising with hangings and

executions when several university students in Tripoli and Benghazi were publicly hanged which were also broadcasted on Libyan State TV (Metz, 1987; Herwees, 2011)³.

Thus, there was significant intervention from Gaddafi himself into universities' affairs over the next three decades, particularly in the appointment of chancellors and deans and implementing governance system that based on the political system of "the People's Authority" (Elabbar, 2011). The universities were managed by the People's Committee led by Chair (Chancellor) which also includes heads of each faculty's People's Committee (Deans). These persons, in theory, are appointed by decree from the General People's Committee (Libyan Government) upon recommendation from People's Committee of Higher Education (Ministry of Higher Education) but, in reality, they were appointed by political instructions from Gaddafi with no input from the universities right up until 2011 (Elabbar, 2011). Linvill (2013) described the university system during Gaddafi's rule:

"...university system was purposefully squandered for decades by Qaddafi's regime. Salaries were kept low, to the point that many faculty members had to hold multiple jobs, and resources for meaningful research were scarce. The system was also used as a propaganda tool of the dictatorship." (p. 1).

In this regard, the Bertelsmann Transformation Index (2010) notes the low national minimum wage of Libyan public sector employees including higher education academics:

"Average salary levels are not substantially above the basic guaranteed salary, although at the beginning of 2007 some public sector salaries were increased by 110% and petroleum sector salaries to 275%. Still, even at this salary level, civil servants are forced to take second jobs or find other ways of earning money." (p. 10-11).

Moreover, the tenuous relationship with the west and UN sanctions in 1980s, 1990s until early 2000s adversely affected higher education in Libya (Ahmad and Gao, 2004; Porter and Yergin, 2006). In this period, universities had a limited ability to import educational resources such as computers or laptops which affected the learning process. The

³ Some of the interviewees in Chapter 6 had to witness the hanging of their colleagues in public on campus.

universities also faced a shortage of qualified lecturers as they had limited opportunity to send students to the western countries particularly the UK and USA that Libya had relied on to train its lecturers. In addition, the existing lecturers did not have the opportunity to have modern and up to date international training and development. For example, as shown in Table 2.6, the number of Libyan students in the USA declined from about 3000 in early 1980s and 1200 in mid-1980s to reach less than 50 over 1990s until mid-2000s. However, this number increased gradually after the lifting of the UN and the American sanctions in 2004 to reach 1343 students in 2013 (Institute of International Education, 2012).

Table 2.6 Libyan Students in the USA 1970-2012

| Year | Undergraduate | Postgraduate | Non-Degree | Optional Practical Training | Total |
|-----------|---------------|--------------|------------|-----------------------------|-------|
| 2012/2013 | 199 | 913 | 133 | 98 | 1,343 |
| 2011/2012 | 143 | 911 | 207 | 67 | 1,328 |
| 2010/2011 | 221 | 895 | 355 | 23 | 1,494 |
| 2009/2010 | 106 | 584 | 361 | 13 | 1,064 |
| 2008/2009 | 71 | 211 | 383 | 2 | 667 |
| 2007/2008 | 46 | 52 | 55 | 2 | 155 |
| 2006/2007 | 36 | 27 | 25 | 5 | 93 |
| 1999 | 25 | 8 | 5 | - | 38 |
| 1995 | - | - | - | - | 57 |
| 1990 | - | - | - | - | 210 |
| 1985 | - | - | - | - | 1,200 |
| 1980 | - | - | - | - | 3,030 |
| 1975 | - | - | - | - | 980 |
| 1970 | - | - | - | - | 286 |

Source: the Institute of International Education 2012.

Note: this table shows the development of the number of Libyan students in the USA 1970-2012.

In addition, the hostile attitude of Gaddafi's regime towards western countries led to the total elimination of the teaching of foreign languages from schools, particularly the English language, which negatively influenced the learning process in Libyan universities (Gadour, 2006; Sawani, 2009; Clark, 2013). English had been taught from primary year 5 (age 10) until the completion of secondary education between 1954 and the Cultural Revolution in 1973, and in 1973 English teaching was pulled back to year 7. This was then taught from year 7, until English was withdrawn altogether from the school system from 1986 to 1992

by a political decision to eliminate western cultural influences following the Arabisation campaign in the aftermath of American air raids and the US sanctions put on Libya in 1986 (Sawani, 2009; Clark, 2013). The consequences of this withdrawal of English were far reaching, not just for students, but also for teachers and the whole of Libyan society alike. In 1986, new pupils at year 7 had no English language classes at all, and those who moved on to secondary education could not improve upon their existing English. Subsequently, a whole generation of undergraduates entered higher education in 1992 with hardly any knowledge of English. Nevertheless, English was put back on the secondary school curriculum in 1992 but the English language did not regain its status in Libya with the shortage of teachers and textbooks using the English language. Gadour (2006) indicated that there were only a few teachers left who were still capable of teaching languages as “many teachers have forgotten the English language, but culturally they have to teach it” (p.180). The next section outlines the development and structure of accounting education in Libya.

2.4 Accounting Education in Libya

Libya had no accounting education before independence and the recognition of the importance of accounting education in Libya was only brought about when the United Nations Mission recommended the establishment of the first school of Public Administration in 1953 (Ahmad and Gao, 2004). Accounting programmes at that time were largely focused on the intermediate level to prepare graduate clerks and book-keepers (Kilani, 1988; Buzied, 1998). The United Nations Technical Assistance Administration provided instructors in accountancy and book-keeping and their curriculum included principles of accounting and book-keeping and government accounting as principal subjects. The teachers and lecturers were foreigners, mainly from Egypt which was already influenced by British accounting systems (Bait-El-Mal et al., 1973). Accounting education

at the university level was first introduced in 1957, when the Faculty of Economics and Commerce was opened within the University of Libya (currently University of Benghazi). The accounting department was one of the three departments in that Faculty (Mahmud and Russell, 2003).

2.4.1 Intermediate Accounting Education

Following the oil exports that started in commercial quantities in the early 1960s, the Libyan economy expanded significantly (Wallace and Wilkinson, 2004). These changes have caused a dramatic shortage in the labour market for skilled manpower, including accountants, clerks and book-keepers. To meet these needs, other intermediary institutions were established in different Libyan cities and the number reached more than 30 commercial institutes (Buzied, 1998; Ahmad and Gao, 2004). To be admitted into one of these institutions students must have finished the third part of their fundamental education. The diploma programmes these institutions offer normally last three years and students have to study common core accounting subjects such as fundamentals of accounting, cost accounting, governmental accounting, insurance and bank accounting, principles of auditing, and taxation accounting. These subjects are complemented by subjects in other areas of business such as principles of economics, statistics, mathematics of finance, methods of commerce and typewriting by computer in Arabic and English languages. Additionally, the programmes require other subject knowledge, such as religion, and Arabic and English languages (Ahmad and Gao, 2004). The severe shortage of accountants in the country resulted in a considerable number of graduates from these institutes finding senior positions in accounting departments in companies or government agencies with little real commercial and accounting knowledge (Buzied, 1998).

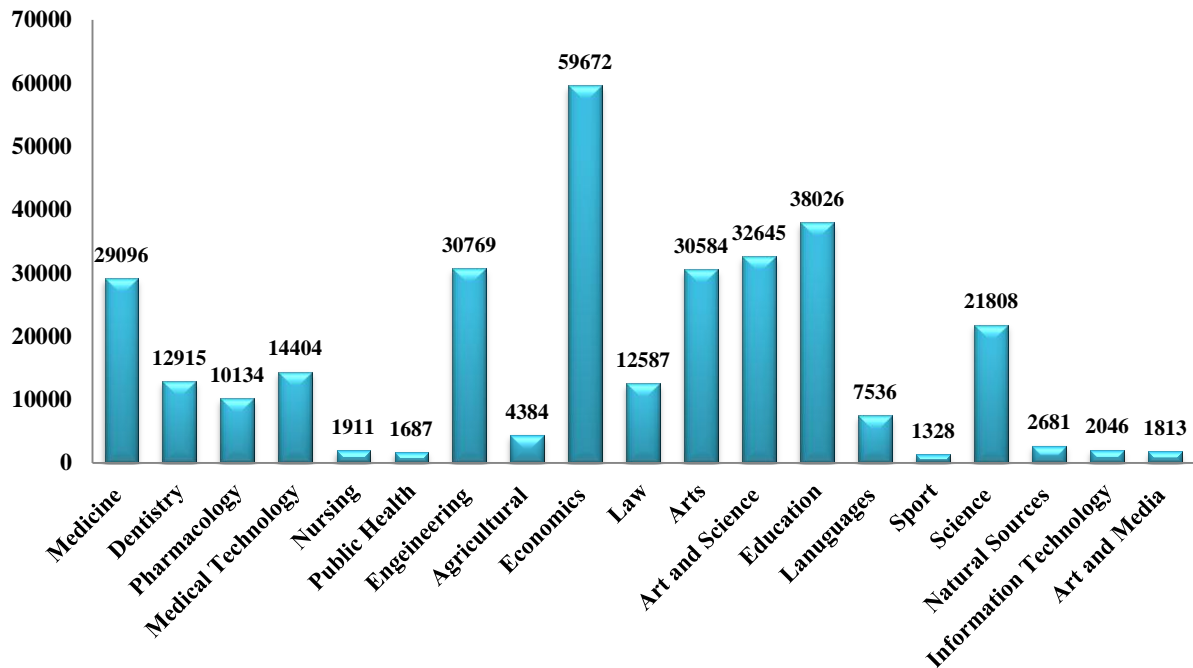
2.4.2 Undergraduate Accounting Education

Since its establishment in 1957, the accounting department in the Faculty of Economics at University of Benghazi has been the most influential force in the development of accounting and accounting education in Libya (Kilani, 1988; Ahmad and Gao, 2004). This was because, until 1985, the Faculty was the only institute of higher education awarding a bachelor's degree in accounting, and many of the local influential accountants such as professional accountants in Libya graduated from this Faculty (Buzied, 1998). The historical development and factors influencing accounting education in the accounting department of University of Benghazi will be the focus of the first empirical work of this thesis.

As a result of the increasing demand for accountants and accounting services in the 1980s two more universities started to offer accounting programmes namely the Faculty of Economics at University of Tripoli, and the Faculty of Accounting at Al-Jabal Al-Garbi University. A further set of new higher institutes and universities was also established in the early 1990s and many new accounting faculties and departments were opened at the rest of the Libyan universities, and in 2012, all Libyan public universities offer undergraduate accounting programmes (Ahmad and Gao, 2004; Ministry of Higher Education and Scientific Research, 2013). According to data from MHE&SR, the discipline of economic studies, which includes accounting, has the highest students numbers comprising 18.5 per cent (59,672) of total number of students (322,478) reflecting the importance and popularity of economic, business and accounting studies in Libya. Figure 2.3 presents the number of students in nine Libyan public universities according to their specialisation⁴.

⁴ Data about students' specialisation of Al-Zutonah University was not available.

Figure 2.3 Numbers of Students in Libyan Public Universities by Specialization 2011-2012



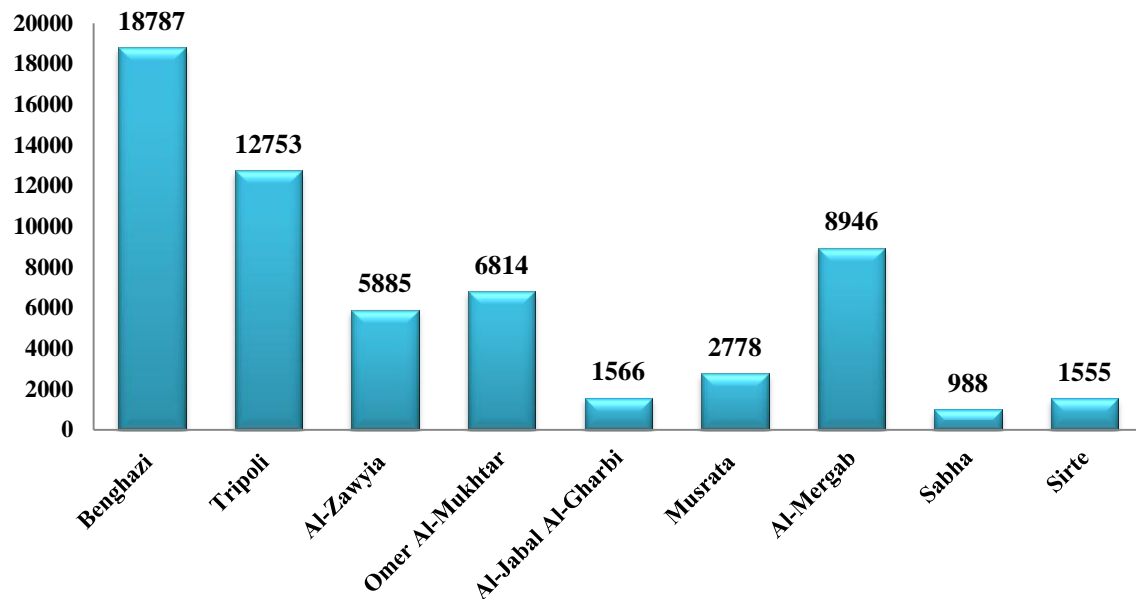
Source: Ministry of Higher Education and Scientific Research 2012.

Note: this figure shows the number of students enrolled at nine Libyan universities in each specialisation in 2011-2012.

With regard to the number of students in economics faculties in each university, Faculty of Economics of University of Benghazi has the highest number of economics students with 31.5 per cent (18,787) of the total number of students in nine universities (59,672). This is followed by students studying economics studies at University of Tripoli (21.4 per cent) 12,753 and Al-Mergab University (10 per cent) 8,946 students. Figure 2.4, shows the number of students enrolled at nine Libyan public universities in the academic year 2011-2012⁵.

⁵ The data for economics students of Al-Zutonah University was not available and the other 3 Libyan specialised universities do not teach economics studies.

Figure 2.4 Numbers of Students Studying Economics in Libyan Public Universities 2011-2012



Source: Ministry of Higher Education and Scientific Research 2012.

Note: this figure presents the number of students studying economics studies at nine Libyan public universities in 2011-2012.

In addition, accounting programmes at the postgraduate level, particularly master's degrees in accounting, started in University of Benghazi in late 1980s and then University of Tripoli, Al-Jabal Al-Gharbi University and the Academy of Graduate Studies followed suit (Buzied, 1998; Mohamed and Russell, 2003). According to MHE&SR, there are 1,215 students studying master's degrees in economics studies, including masters in accounting. There are no Doctoral programmes in economics studies including accounting in Libya hence Libya still depends on sending its doctoral students abroad to study for their PhDs, particularly the UK and USA.

The increase in the number of students led to the expansion of accounting programmes at university level which caused an acute shortage of lecturers. It was very common to find an accounting department with only one or two full-time lecturers and the reminder of the staff working part-time from other universities or industry (Buzied, 1998). In most cases the initial lecturers came from University of Benghazi and these newly-founded

departments have replicated the same accounting curriculum, delivery systems and textbooks as those used at University of Benghazi through mimetic isomorphism using the same staff across different universities establishing one community of practice (Buzied, 1998; Ahmad and Gao, 2004). Moreover, the accounting education programmes in Libyan universities are criticised for placing a strong technical emphasis and a narrow perspective which is not suitable for the Libyan economy (Buzied, 1998; Bakar, 1997; Ahmad and Gao; 2004). Mahmud and Russell (2003) identify other obstacles to the development of accounting education in the Libyan context. These obstacles include the outdated accounting syllabuses, the scarcity of modern textbooks and references in Arabic, and a lack of active professional societies and insufficient public knowledge of the role of accounting (Mahmud and Russell, 2003; Ahmad and Gao; 2004). Therefore, Mahmud and Russell (2003) recommended that:

“Libya clearly needs to plan strategically to modernize both its accounting education and practice by ensuring that modern texts which are relevant to the needs of Libya are available for consultation” (p. 230).

The next section provides information about the accounting profession in Libya.

2.5 Accounting Profession in Libya

At the time of Libyan independence in 1951, there was no organised accounting profession in Libya. Most business enterprises relied on foreign accounting firms from Italy and the UK (Bait-El-Mal, 1973; Laga, 2013). There was no official accounting education or training available locally, thus, when independence came, there was a scarcity of local personnel to fill clerical and technical positions in administrative and public services. This was a serious handicap for Libya and meant that through 1950s, it had to depend largely on advisors from the UK and USA and UN to create rudimentary accounting systems who worked for agencies such as Public Development Stabilisation Agency, the Libyan

American Reconstruction Commission and the Libyan and American Joint Services (Buzied, 1998; Shareia, 2010). These agencies were all managed by non-Libyans and, through them, the British and Americans accounting model was transferred on the accounting system in Libya (Bait-El-Mal, 1973; Ritchie and Kharwatt, 2007; Kribat, 2009). The role of the accounting profession began to be recognised in the early 1960's as investors, creditors, business managers, and governmental agencies needed financial information and accounting services (Buzied, 1998; Wallace and Wilkinson, 2004). Hence, since 1962 it has become necessary to get a licence from Ministry of Finance to act as an accountant in Libya. Any holder of a university degree in commerce and two years' experience in accounting has the right to become a public accountant (Kilani, 1988).

To meet the rapid demand for accounting services, foreign accounting firms from Egypt, Italy, USA and the UK opened branches in Libya in the 1960s, mainly providing audit services however these branches were closed after Gaddafi's announcement of "Cultural Revolution" in 1973 (Bait-El-Mal, 1973; Kribat, 2009). The increasing number of accounting graduates from the University of Libya and the return of many Libyan students graduating abroad resulted in many Libyan accounting firms being established in the early 1970s. The rise in both number and size of accounting firms and also the lack of uniformity in accounting standards, practices and methods, resulted in the need to establish an accounting professional body, that could take responsibility for developing a general framework of accounting in Libya (Bakar, 1997; Kribat, 2009). To meet this need, Law No. 116 was enacted on 20 December 1973, to organise the Libyan accounting profession. The law was divided into eight chapters: (i) the establishment of the Libyan Accountants and Auditors Association (LAAA); (ii) registration of accountants; (iii) exercise of the profession; (iv) fees; (v) pension and contribution fund; (vi) obligations of accountants and auditors; (vii) penalties; and (viii) general and transitional provisions.

Following the issuance of Law No 116, the LAAA was founded in June 1975 and become responsible for licencing public accountants in Libya, with the objectives: (i) to organise and improve the accounting profession and to raise the standards of accountants and auditors professionally, academically, culturally and politically; (ii) to organise and participate in conferences and seminars related to accounting internally and externally and to keep in touch with new events, scientific periodicals, lectures and so on; (iii) to establish a retirement pension fund for members; (vi) to increase co-operation between members and to protect their rights; and (v) to take action against members violating the traditions and ethics of the profession.

Despite its existence for about four decades, the LAAA has played only a limited role in achieving these objectives (Ahmad and Gao, 2004). Buzied (1998) surveyed Libyan public accountants concerning the role of the LAAA and found that the LAAA had: (i) no role in developing accounting and auditing standards or a code of ethics; (ii) a very limited role in conducting research to help develop accounting to be useful and relevant to the Libyan context; (iii) a limited role in issuing instructions about accounting practice and methods; and (iv) a weak control over accounting practice and policy and deficiencies in monitoring accounting education in Libya. Further, the LAAA is not a member of IFAC and hence does not participate in normative international practice⁶ (IAESB, 2006).

Practicing members of the LAAA must meet the following requirements: (i) hold Libyan nationality; (ii) have a Bachelor's degree in accounting; (iii) have five years of experience in accountancy-related jobs in an accounting office after obtaining the bachelor's degree; (iv) be active over political and civil rights; and (v) be of good conduct, reputation and respectability, commensurate with the profession. Once accountants have registered in the

⁶ LAAA membership of IFAC was suspended in 2005 as a result of its failure to demonstrate a commitment to the Compliance Program of IAESB and IFAC membership.

register of accountants in practice they have the right to certify accounts and balance sheets of all types of firms and taxpayers. Accounting firms in Libya, which are required to be licensed by the LAAA, can offer services in a wide range of areas such as preparing financial reports, auditing, tax services, bankruptcy advising, management consulting and system design and installation. According to Buzied (1998) there is a shortage of expertise and experience in many service areas, and, with low demands from companies and organizations for other services, most public accountants in Libya perform audits and prepare financial reports.

However, accountants who hold a degree higher than a Bachelor's degree in accounting are exempt from the experience requirement, if the higher degree requires four or more years of study and training. Moreover, accountants who have a Bachelor's degree in accounting without experience can only be registered as assistant accountants in practise, but after two years' experience they have the right to practise in the profession, albeit with some limitations. Those who have a Bachelor's degree in accounting and do not intend to practise in the profession are listed as non-working accountants.

Since Libya started to open up to the world in early 2000s, there have been changes in the Libyan economy and financial information needs (Kribat, 2009; Shareia, 2010). The Libyan government introduced a series of reforms to restructure the economic sector to allow the expansion of ownership and allow direct participation of the private sector in economic activities. This was followed by the establishment of the Libyan Stock Market in 2007 (IMF, 2006; Kribat, 2009). However, these changes in Libya have been slow and have encountered many difficulties in their implementation, however they are beginning to make functions of accounting and finance in Libya more similar to that of western economies (St John, 2008; IMF, 2012). The importance of finance has been growing in the

Libyan economy as there has been expansion of private ownership in all sectors as well as foreign partnerships especially in financial institutions (IMF, 2006; Ellabbar, 2007; IMF, 2012). The number of banks increased from 6 to 16 commercial banks, 7 have foreign partners and the Libyan Stock Market which opened in 2007 now has 41 companies registered of which 11 have their shares traded (Kribat, 2009; Libyan Stock Market, 2013; Kribat et al., 2013). Thus, accounting functions have become increasingly similar to those in western market-based economies with an increased demand for external financial reporting and accounting that requires comparable and reliable accounting information. Moreover, in 2008 the Libyan Stock Market recommended that all listed companies use IFRS in the preparation and presentation of their financial statements and has conducted training sessions to provide accountants in these companies with the knowledge of IFRS and its application in accounting practice. The Libyan Central Bank has also encouraged Libyan banks to apply IFRS (Libyan Stock Market, 2011). This transition poses major challenges for the accounting profession and accounting education in Libya. Accountants in Libya today are required to have wide knowledge and skills in different subjects and areas to be able to function effectively just as internationally (Howieson, 2003; Ahmad and Gao, 2004).

2.6 Summary

This chapter highlights the Libyan context including the demographic, social and political environment of Libya. The main issues about higher education sector in Libya including the historical development, difficulties and limitations are also outlined, in addition to the development of accounting education and the accounting profession in Libya. The following chapter reviews the literature related to accounting education, such as the historical development of accounting education, and criticisms and problems encountered

by accounting education, first in the west (USA, UK and Australia) and then in developing countries in general.

Chapter 3: Literature Review

Chapter 3

Literature review

3.1 Introduction

Accounting education is situated in different jurisdictions and cultures around the world (Gammie and Kirkham, 2008; Crawford et al., 2010; Helliard, 2013). However, accounting education programmes including those at university should be designed to provide the foundation upon which accounting students develop a broad set of knowledge and skills, as well as a commitment to lifelong learning to serve their society effectively (Gammie and Gammie, 2002; Helliard et al., 2009; IFAC, 2010; Stoner and Milner, 2010; Helliard, 2013). Accounting education programmes at universities in many countries are the main channel to educate accountants (Ahmad and Gao, 2004; McGee, 2008; Farag, 2009; IFAC, 2013). Nevertheless, accounting education programmes around the world have been under constant criticism for failing to produce graduates with the competencies needed (Albrecht and Sack, 2000; Dixon, 2004; Hassel et al., 2005; Lin et al., 2005; de Lange et al., 2006; Gallhofer et al., 2009; Mgaya and Kitindi, 2009; Sangster, 2010; Bui and Porter, 2010; Evans et al., 2010; Awayiga et al., 2010). While most accounting education studies have focused on developed countries' accounting education challenges and problems, few studies have been conducted to investigate the challenges and problems of accounting education in developing countries. This chapter therefore reviews the literature on accounting education in developed countries, it then summaries the prior literature related to accounting education in developing countries.

This chapter is structured as follows. Section 2.2 summarises the most important developments of accounting and accounting education in developed countries. This section also highlights brief history of accounting and accounting education, the integration of accounting into university curriculums and criticisms and problems of contemporary

accounting education in developed countries. Section 2.3 addresses the International Education Standards (IESs). Section 2.4 highlights accounting education in developing countries. This section also identifies problems influencing accounting education in developing countries. Section 2.5 summarises the chapter.

3.2 The Development of Accounting and Accounting Education

Many developing countries' accounting education programmes (including Libya) are influenced by the accounting education programmes of developed countries such as the UK, USA and Australia (Briston, 1978; Pok, 1995; Wijewardenc and Yapa, 1998; Ahmad and Gao, 2004; Gallhofer et al., 2009; Yapa et al., 2010; Awayiga et al., 2010). Therefore, an examination and understanding of accounting education's development, challenges and problems in developed countries can help in studying accounting education in a developing country such as Libya. Therefore, this section documents the historical development of accounting and summarises the main developments of accounting education in selected developed countries, notably the USA, UK and Australia. It also focuses on criticisms and problems of accounting education in those countries.

3.2.1 Historical Development of Accounting

An attempt to understand the future developmental requirements of accountants necessitates a study of the history of accounting. Carnegie and Napier (1996) argue that knowledge of the history of accounting can facilitate an understanding of the future of the accounting profession. They also note that:

“Accounting history is worthy of study because it puts accounting today into perspective, and may well allow us to draw on the data bank of the past to provide solutions to the problems of the present.” (p. 13).

The origins of the accountancy profession lie far back in history. The earliest civilizations developed simple recording methods that developed slowly over thousands of years, from

keeping a record of transactions between parties to communicate the results of those transactions to interested parties (Carey, 1969; Mathews and Perera, 1996; Vorster, 2007; Edwards, 2011). However, it is generally acknowledged that 1494 saw the beginning of modern accounting when double entry book-keeping was invented in Italy by Pacioli (Littleton, 1966; Alexander, 2002; Sangster and Scataglinibelghitar, 2010). This invaluable technique enabled, for the first time, a business organisation to keep a complete and co-ordinated record of all its transactions, showing both ownership equity and periodic results (Carey, 1969; Mathews and Perera, 1996). Many historians believe that accounting practice developed mainly because improved trade required better ways of determining profits. Littleton (1966) and Johnson and Kaplan (1987) note how in the Middle Ages society had developed in a form that made the double entry book-keeping system possible and how the Italians sought more sufficient methods of computing profits.

An Italian businessman, Luca Pacioli, born in 1445, is widely regarded as the father of double entry book-keeping; he never claimed to have invented double entry book-keeping, but he formalised the practices and ideas which had been evolving and in 1494 published his work in a book titled *Summa de Artihmetica, Geomatria, Proportioni et Proportionalite* (Alexander, 2002; Sangster and Scataglinibelghitar, 2010). The *Summa* comprises 36 short chapters on book-keeping. Alexander notes that the first 16 chapters, also known as the *De computes et scriptus*, describe the basic system of books and accounts, while the remaining 20 chapters are devoted to specialised accounting for merchants, including a trial balance at the end of Pacioli's accounting cycle. In the first century after its publication, the *Summa* was translated into five languages, and numerous books on double entry book-keeping appeared in Dutch, English, German and Italian whose descriptions were obviously lifted from "*De Computis*" (Alexander, 2002; Sangster and Scataglinibelghitar, 2010).

Although the history of accounting and accountants is thus a long one, the importance of the subject and of the profession has fluctuated through history with the fortunes and trading activities of nations. The growth of international trading from the sixteenth century onwards and the increase in the size of business enterprises associated with the industrial revolution led accountancy to rise to prominence, which was coupled in the nineteenth and twentieth century with business transactions becoming more sophisticated (Carey, 1969; Taylor and Underdown, 1987; Mathews and Perera, 1996; Edwards, 2011).

In the USA and Europe, the advent of the company as a form of business has gradually shifted the work of accountants towards maintaining accounting records for trusts, conducting general mercantile audits and stock broking (McCabe and McHugh, 1992; Mathews and Perera, 1996; Edwards, 2011). The widening range of activities requiring professional accounting skills led public accountants to develop professional organisations, to formulate technical and ethical standards, to establish a system of training for their successors, and to acquire symbolic evidence of competence and responsibility (Carey, 1969; Lee, 2006). In this regard Carey (1969) notes that:

“The motivation for professional [accounting] organization was naturally, in large measure, to distinguish skilled accountants of integrity from self-styled accountants whose competence had not been demonstrated. Protecting of the public was a major objective.” (p. 20).

3.2.2 Professional Accounting Bodies and Development of Accounting Education

The accountants in the UK were the first to organise themselves into an accounting professional body. The longest established professional accounting body in the world is The Institute of Chartered Accountants of Scotland (ICAS) (Pok, 1995; Lee, 2006). Although its present title was granted in 1951 the origins of the ICAS date back to the formation of three local Scottish Societies namely: the Society of Accountants in Edinburgh in 1854; the Institute of Accountants and Actuaries in Glasgow in 1855; and the

Society of Accountants in Aberdeen in 1867. The Institute of Chartered Accountants in England and Wales (ICAEW) was the first national English and Welsh accountancy body on the granting of its charter on 11 May 1880. Following that accountants from Dublin, Belfast and Cork formed the Institute of Chartered Accountants in Ireland (ICAI) in 1888⁷ (Walker, 2004; Lee, 2006; Parker, 2005).

Education programmes for professional accountants were also first developed in the UK. Based on the British system, high school and university graduates were recruited to serve as articled clerks. School graduates had to do five years of articleship, and three years for university graduates. There were two examinations, intermediate and final, encompassing several papers and exemptions were given to university graduates if they had studied some accounting subjects. Those who passed the examinations and had the required years of work experience were promoted to professional accountant status (Lorig, 1960; Kitchen and Parker, 1980; Pok, 1995). Accounting knowledge and skills were obtained through several years of practice in the field. For example, the Institute of Accountants and Actuaries in Glasgow started its entrance exams in 1855 while the Society of Accountants in Edinburgh started its written entry exams in 1864 but for the 10 years before oral ones had been held, and Aberdeen in 1876 (Kedslie, 1990). According to Howitt (1966) the ICAEW introduced standards of entry, examination and training as early as July 1882. Moreover, in 1892 the three Scottish societies adopted similar entry and training requirements, formed a general examining board for Chartered Accountants in Scotland, and began to form a relationship with the Scottish universities by requiring apprentices to attend university classes in accounting, law and economics (McCabe and McHugh, 1992; Lee, 1995).

⁷ There are other accounting professional bodies in the UK such as the Association of Chartered Certified Accountants (ACCA), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Management Accountants (CIMA).

A similar pattern of educating accountants through articleship emerged in other countries that were former colonies of Britain such as Australia, Canada, New Zealand and South Africa (Lee, 1995; Parker, 2005; Lee, 2006). This was also associated with the establishment of professional accounting bodies in these countries (Lee, 1995; Edwards et al., 1997; Lee, 2006). In the USA, the first body of professional accountants was the Institute of Accounts formed in 1882 (Lee, 1995). Membership was open to any accountant passing its admission test; the main function of the institute was to educate accountants (Lee, 1995). The American Institute of Certified Public Accountants (AICPA) was founded in 1887. From the beginning these new accounting bodies in the USA attempted to strengthen the professionalization process by establishing entry, education, examination and training requirements. The first Certified Public Accountants (CPA) Law was passed in 1896 which conferred the title “Certified Public Accountant” upon qualified persons, and prohibited use of that title by others. It also provided for the examination of applicants but did not include any education or experience requirements (Carey, 1969; Sathe, 2010). Following this legislation the regulation of public accounting started to be introduced in state legislatures, and the CPA qualifying examination came into use, and state societies of CPAs began to form. One of the issues which aroused much controversy was the educational qualifications for certification, including both the degree requirement and that proficiency be tested by the qualifying examination (Nelson, 1995; Sathe, 2010).

The above review reveals that accounting education began in the UK via the establishment of professional accountancy bodies which put in place admission requirements to control entry to the body to ensure members were adequately trained and educated to enhance the knowledge and skills of their members. Other countries followed down the same path to educate their accountants. The following section describes the development of accounting education and its integration into the university curriculum.

3.2.3 Accounting Education and University

According to Edwards (1978) the USA was the first country to recognise accounting as an academic subject or discipline to be given a place in the university curriculum. The first school of business in the USA was founded in 1881 at the University of Pennsylvania's Wharton School of Finance and Economics. Its first accounting course was offered in 1883 (Langenderfer, 1987; Van Whye, 2007; Chu and Man, 2012). There were several reasons why the USA began accounting education at university level. The strong demand for, and the limited supply of, trained accountants was one of the main reasons for the development of university training for accountants. In this regard, Edwards (1978) notes:

“Universities and technical schools, recognizing this need for training and possibly foreseeing the part which the accountant would be called upon to play in the modern industrial world, readjusted and expanded their curricula to provide intensive training for students of accountancy.” (p. 135).

However, Langenderfer (1987) stated other reasons for the integration of accounting into the university curriculum. First, early educators, affected by the American culture, did not truly accept the British apprenticeship form of training. They felt that in the British system, accounting knowledge and skills was only obtained by several years of attention to practice without the advantage of instruction in principles, concepts and rules that would give students a basic foundation in accounting principles and teach them uniform book-keeping procedures. Second, there was a widespread belief among American accounting practitioners that accounting had a place in the university curriculum and hence they strived to persuade university administrations about the role of the university in accounting education. Third, accounting practitioners had to override university leaders' preconceptions against the teaching of business and accounting courses and in favour of the liberal arts.

By 1920, most of the major universities in the USA not only had accounting courses in their curricula but were offering degrees in business administration with majors in accounting, which indicated a growing demand for accountants (Bloom et al., 1994; Black, 2012). The progress of accounting degree programmes at universities in the USA was the catalyst for the proliferation of university's accounting education in many countries including the UK, Australia and Canada (Langenderfer, 1978; Pok, 1995; Van Wyhe, 2007). In the UK, accountancy was first taught at an English university in 1902 and the first full time chair in the subject was created in 1947. It was only in 1944 that the main accountancy bodies in England started encouraging degree studies in economics as preliminary to entry; however, the Scottish institutes had required its apprentices to attend part-time courses at university for one year since 1892, but it was only in 1974 that the Scottish professional body introduced the concept of a relevant accounting degree for membership (Solomons and Berridge, 1974; Lee, 1988; Bloom and Kantor, 1991; Sikka and Willmott, 2002; Sikka et al., 2007). In Australia also the university degree became a necessary requirement to start a professional career and the same applies to New Zealand (Evans and Juchau, 2009). Therefore, accounting education at university-level has become one of the major educational foundations for the accountancy profession in these countries⁸.

This is also the case in many countries of the world (Ahmad and Gao, 2004; McGee, 2008; Gammie and Kirkham, 2008; Farag, 2009; Gallhofer et al., 2009; Crawford et al., 2010; IFAC, 2013)⁹, and the International Federation of Accountants (IFAC) recognises a degree

⁸ Recently, in some of these countries such as the UK and Australia a relevant degree is no longer a pre-requisite for entry to the accounting profession.

⁹ There are different routes to educate accountants across the world. For example, in some countries university degree in accounting is necessary to be accountant while in some other countries only a university degree is not a pre-requirement to enter the profession (see Gammie and Kirkham, 2008; Crawford et al., 2010).

programme at university as a part of the process of preparing prospective accountants (IFAC, 2010).

The above section examines the education and training of accountants through the articleship system in the UK and the introduction of accounting curriculum at university level in the USA which was followed by many other countries in the world. This section also shows that accounting education was integrated into the university curriculum as a response to different factors. Among those is the shift of emphasis of accountants' education from the apprenticeship form that favours practical training to a more theoretical form that focuses on principles, concepts and rules that allow accounting students to gain a foundation in accounting principles and teach them uniform book-keeping procedures. The next section focuses on the more recent criticism that is directed to accounting education in some of the developed countries namely the USA, UK and Australia.

3.2.4 Contemporary Accounting Education and its Challenges

Accounting programmes at universities have been heavily criticised by different parties both within the university sector and from outside bodies. Practitioners in the USA have been dissatisfied with the narrow, technical focus of accounting programmes. In summarising their review of early accounting education, Previts and Merino (1979) state:

“After securing acceptance for accounting curricula in universities, accountants began to advocate an expansion of university education to realize the goals of broader, more conceptual programs. Most practitioners considered mastery of the technical procedures of auditing and accounting to be most effectively learned through practical experience; education's role was to develop analytical ability. Accounting, they believed, required a wide range of knowledge and minds trained to think analytically and constructively. They supported a broad program emphasizing theory and philosophy and were disappointed when the evidence accumulated that accounting educators tended to emphasize the narrow, technical training.” (p. 154-155).

The trend away from a liberal education toward technical education continued throughout the twentieth century. The emphasis of the technical aspects of accounting in the standards led accounting education programmes to focus more and more on teaching technical accounting knowledge and skills with less time devoted to non-accounting knowledge and skills (AECC, 1990; Merino, 2006). As Keating and Jablonsky (1990) observed:

“The proliferation of statements of financial accounting standards has had the insidious effect of pushing the accounting curriculum in an ever more technical and ever less business-oriented direction. The curriculum has become devoted to teaching students the technical rules and conventions of conformance. More and more it concentrates on formal accounting rules, with correspondingly less focus on essential business and social issues.” (p. 92).

According to Bremser et al., (1977) concern about the narrow focus of accounting educational programmes increased in the 1950s. The American Accounting Association’s Committee on Course and Curricula (1963) stated:

“The importance of representing the field of accounting as a field in which the possibilities for professional development are limitless, can not be overemphasized.” (p. 607).

This sharp criticism left accounting educators in doubt concerning the scope in the nature of their field and how they were to structure effectively the accounting programmes to meet the needs of society (Pok, 1995; Black, 2012). As a result, earlier in 1967, Roy and MacNeil conducted a pioneer study entitled “Horizon for the Profession” to develop a common body of knowledge for practicing certified public accountants (CPA) in the USA. The study suggested that the necessary common body of knowledge of a programme to educate accountants should integrate courses in accounting, the humanities, economics, law, behavioural sciences, mathematics, statistics, probability, and functional fields of business. Moreover, in 1969 the AICPA issued a report (Beamer Report) to develop an operational accounting educational programme after considering the recommendations of the study by Roy and MacNeil. The Beamer Report identified the courses and hours

necessary in each area of general education, general business, and accounting for CPAs (Committee on Education and Experience Requirements for CPAs, 1968).

Furthermore, the AICPA Education Executive Committee formed a task force in 1976 to confirm the continued relevance of curriculum proposals in the Beamer Report and subsequent AICPA educational recommendations. However, concern about slow progress in implementing the AICPA and the National Association of State Boards of Accountancy (NASBA) educational policies inspired the continuation of the task force as the Commission on Professional Accounting Standards (the Albers Commission), with members from AICPA, NASBA, AAA, and the Federation of Schools of Accountancy (FSA). The Commission noted that the body of knowledge expected to be integrated into the accounting curriculum had expanded substantially since the issuance of the Horizon for the Profession Report (Black, 2012).

In the 1980s, accounting education in the USA was subject to much discussion and criticism but little action. The AAA commissioned the Bedford committee in 1984 to study the future structure, content and scope of accounting education in the USA. In 1986 the committee issued a report entitled “Future Accounting Education: Preparing for the expanding Profession”. The committee noted that the content of most university accounting educational programmes had remained relatively unchanged for many years and had not fully adapted to the changing scope of accounting practice. Further, the committee concluded that the current state of accounting education indicated that prospective accountants were not receiving the preparation they needed to cope with the increased demands of an expanding, more complex profession that was emerging. In this regard, the committee stated:

“There is little doubt that the current content of professional accounting education, which has remained substantially the same over the past 50 years, is generally inadequate for the future accounting professional. A growing gap exists between what accountants do and what accounting educators teach (p. 172)Accountants who remain narrowly educated will find it more difficult to compete in an expanding profession.” (p. 174).

The Committee’s analysis of accounting practice indicated that the accounting education approach required major adjustment.

In 1989, the Accounting Education Change Commission (AECC) was established to accelerate change in accounting education. The AECC called for fundamental changes in what was taught and how it was taught. The AECC operated for seven years and gave grants to several universities and graduate schools in the USA to encourage curriculum changes to produce well-rounded accounting graduates. Moreover, the Institute of Management Accountants and Financial Executives Institute published a research report entitled “What Corporate America Wants in Entry-Level Accountants” in 1994. The study argued that many accounting recruiters had become dissatisfied with the level of preparation of accounting graduates and some believed that accounting graduates needed more college education due to the recent changes in the business environment. The study concluded that entry-level accountants must have practical experience, a broad understanding of real world events and social and communication skills (Siegel and Sorensen, 1994). Moreover, the AICPA developed “The AICPA Core Competency Framework for Entry into the Accounting Profession” in 1999. The AICPA divided the framework into three parts: functional competencies; personal competencies; and broad business perspective competencies (AICPA, 1999).

Despite the efforts of the AECC, Albrecht and Sack (2000)¹⁰ reported that:

“Accounting leaders and practicing accountants are telling us that accounting education, as currently structured, is outdated, broken, and needs to be modified significantly.” (p. 1).

Albrecht and Sack (2000) also noted that changes to American accounting education had not been pervasive or substantive and apart from a few schools, accounting education was taught with the same approach as it had been 20 or 30 years previously.

Albrecht and Sack (2000) also identified a number of problems in accounting education in the USA at the time of their report. The number of students that chose to study accounting had declined dramatically and other disciplines were taking opportunities away that previously had been occupied by accounting students. Other problems identified were that course syllabi were too narrow and often outdated or irrelevant, the interests of lecturers was emphasised rather than market demand, with no inclusion of important topics such as globalisation, technology, and ethics. Regarding pedagogy, teaching of content was emphasised through memorisation that led to leading to a lack of creativity and skills development. In addition, there was a lack of strategic direction and development of academics and reward systems were not connected with business-school peers and business professionals. Albrecht and Sack concluded that there was an urgent need to substantially invest in accounting educators’ development to drive accounting education curriculum change.

Moreover, in 2010 the AAA and AICPA created “The Commission on Accounting Higher Education: Pathways to a Profession” (the Pathways Commission) to study the current state of accounting education in the US and to develop recommendations for change. The

¹⁰ Albrecht and Sack were commissioned to study the future of accounting education in the USA by the IMA, AICPA, AAA and the Big 5 accounting professional firms.

Pathways Commission released its first report in 2012 and identified impediments to change including: (i) institutional features such as the slow pace of curricular change, lack of flexibility in tenure processes, and post-tenure review practices focused largely on research productivity; (ii) features specific to programmes and departments, such as the inability to overcome the silo effect within accounting programmes and departments; and (iii) individual features such as lack of appreciation of the importance of innovation, sound pedagogy, or professional relevance (The Pathways Commission, 2012). Moreover, the Pathways Commission (2012) asserted that accounting students need to be prepared to practice in a continually evolving business environment:

“...accounting educators creating those learning experiences need support and opportunities to stay abreast of current and emerging ideas and knowledge in the discipline and practice and engage in creating learning resources and environments that build the capabilities outlined in accounting’s body of knowledge. Many faculty development opportunities involving teaching and research experiences, varying throughout the faculty life cycle, must be available and supported to sustain a vibrant, engaging accounting curriculum.” (p. 37).

Much earlier in the UK, Lee (1986) used the University of Edinburgh as a case study of accounting education and noted that the problems encountered by Edinburgh were typical of problems encountered by accounting educators in universities and colleges across the UK. Some of the problems he identified included: (i) insufficient staffing within accounting departments which inevitably influenced the quality of teaching where time could not be found to study new and significant areas, to update existing courses and to provide sufficient innovative teaching methods for students; (ii) heavy teaching loads and low levels of remuneration that made the academic profession unattractive to qualified accountants, whereby academic turnover in accounting departments in universities was high with a result, the stability of teaching programmes was affected which in turn negatively influenced the quality of teaching provided to the students as new inexperienced academics were recruited; and (iii) lack of active research output due to lack of time and

resources. Academics were unable to develop new ideas through research for teaching and enhancing the profession. Moreover, a comparative study by Brown and Guilding (1993) to investigate the teaching practises of accounting and non-accounting business faculties in England found that the three most widely-used teaching methods among accounting faculties were lectures, seminars and textbooks with accounting academics placing great emphasis on the traditional modes of instruction, compared to their peers in non-accounting faculties that used didactic modes of instruction, such as case study, practical workshops and role play, and recourse to student discussion.

Indeed in the UK pressure from professional bodies such as the Law Society, the Royal Institute of British Architects and the Institute of Personnel and Development, to requiring skills development for accreditation of degree courses, and from key employers of graduates led to the Department for Education and Employment (DfEE) establishing the National Committee of Inquiry into Higher Education chaired by Sir Ron Dearing in 1996 (Drummond et al., 1998). The Dearing Report (1997) notes that substantial change in the organisational, economic and technological context has, largely, changed the current nature of accounting work. This in turn means that accountants need many complementary skills to effectively perform their tasks. Skills such as communication, problem solving, personal and interpersonal skills, responsibility, organisational ability, ability to learn, intelligence, ideas and imagination, adaptability, and flexibility are all important for the accounting profession today (see also Gammie et al., 2002; Howieson, 2003).

Moreover, the introduction of subject benchmarking in accounting education, by the Quality Assurance Agency (2000, 2007), offers descriptions and general expectations of standards for honours degrees in the UK. The outcome of an accounting graduate ranges from subject-specific knowledge including technical competences in understanding,

recording and evaluating business activity to more advanced cognitive abilities such as critical evaluation, ability to locate, extract and analyse data and the capacity for independent and self-managed learning. These benchmarks recognise that the outcome of a period in higher education is not just the knowledge obtained and the skills developed, but also the capability for independent life-long learning. However, Hassel et al. (2005) reported upon the dissatisfaction of employers in the UK about the attention given to the development of non-technical knowledge and skills in accounting education.

In Australia, accounting education has not met the requirements of society despite the development of accounting into the education field in general and into the university curricula specifically. Accounting education has not been granted the status conferred to liberal arts programmes (Birkett, 1987; Mathews et al., 1990; Evans et al., 2010). In 1990, the Mathews Committee was created by the Australian government to review the accounting discipline in higher education. The Committee noted that as a result of many deficiencies accounting education may not be able to fulfil the needs of graduates such as: (i) the lack of appropriate financial resources provided to accounting education which was far less than other educational fields; (ii) high student-staff ratios that prevented achieving efficient standards of accounting teaching; (iii) the deficiency of financial resources which adversely impacted on the hiring and retaining of accounting academics; (iv) the shortage of academic staff due to vast growth in students numbers and inadequate salary packages and working conditions. In addition, throughout the last two decades many studies have identified a number of deficiencies in Australian accounting education and suggested adjustments (Birkett, 1993; CPA, 1996; Institute of Chartered Accountants in Australia, 2001), as the workplace is not satisfied with the accounting graduates' skills (de Lange et al., 2006; Jackling and Sullivan, 2007; Kavanagh and Drennan, 2008).

More recently, two reports have been devoted to examine the state of accounting education in Australia namely: Evans et al. (2010) *Accounting Education at a Crossroad* and Cappalletto (2010) *Challenges Facing Accounting Education in Australia*¹¹. These reports note that the problems of accounting education in Australia, many of which were reported by the Mathews Committee (1990), still exist and in some cases they have become worse, as Evans et al. (2010) state: “In conclusion, accounting education in Australia has not progressed much since Mathews et al.’s (1990) report” (p.14). These reports describe the accounting education sector in Australia as suffering from the combined pressure of a large international student enrolment, high student-to-staff ratios, an inadequate funding model, and an ageing academic staff profile.

The above section shows that accounting education programmes in the three selected countries have been criticised for failing to produce graduates with competencies that are significant in the ever-changing business environment. The accounting curriculum has been criticised for its focus on the practical and technical knowledge and skills of accounting, neglecting the development of non-technical knowledge and skills. The accounting curriculum also has not kept abreast with the fast-changing environment through different drivers, such as globalisation and the rapid advancement in information technology. However, these constant-criticisms of accounting education programmes at university have been ignored and have become a major component of university education. Moreover, accounting education in these countries suffers from several common problems that influence its ability to produce the graduates required by the profession. Many of these problems have resulted from a lack of resources allocated to universities, high student

¹¹ Both reports were released as collaborations of the leading academic organisation, the Accounting and Finance Association of Australia and New Zealand (AFAANZ) and professional accounting bodies in Australia including the Institute of Chartered Accountants in Australia (ICAA), the Institute of Public Accountants (IPA), and Certified Practising Accountants of Australia (CPA Australia).

numbers per educator, and a lack of qualified educators. All these issues will be investigated in this thesis with regard to accounting education in Libyan universities. The next section focuses on the International Education framework developed by IFAC to harmonise and enhance the quality of accounting education internationally.

3.3 International Education Standards

The International Federation of Accountants (IFAC) is a global organisation committed to protecting the public interest by developing high-quality international standards, promoting strong ethical values, encouraging quality practice, and supporting the development of all sectors of the accounting profession around the world. It comprises 167 professional bodies of accountants in more than 127 countries, (excluding Libya) and has more than 2.5 million individual members (IFAC, 2012). Its mission is to serve the public interest by:

“...contributing to the development, adoption and implementation of high-quality international standards and guidance; contributing to the development of strong professional accountancy organizations and accounting firms, and to high-quality practices by professional accountants; promoting the value of professional accountants worldwide; speaking out on public interest issues where the accountancy profession’s expertise is most relevant.” (IFAC, 2012).

In pursuit of this task, in 1977 IFAC established the International Accounting Education Standards Board (IAESB) to strengthen the global accountancy profession through the development and improvement of education (IFAC, 2008). IAESB issued six International Education Guidelines (IEGs) on prequalifying education between 1982 and 1989. In 1991 IAESB issued IEG 9 which included all the statements of the previous six IEGs (Donleavy, 1992). In 2003, the IAESB issued its International Education Standards for Professional Accountants (IESs) in an attempt to ensure quality and consistency in accounting education around the world. There are eight IESs in issue as detailed in Table 2.7. The IESs are to be used as benchmarks for the preparation and continual development of professional accountants worldwide. One of the main objectives of IESs is to assist accounting

educators internationally in ensuring that accounting students develop and demonstrate the competences needed to meet the expectations of the communities they serve. In general, IESs establish the essential elements (e.g., subject matter, methods and techniques) that education and development programmes are expected to contain and that have the potential for international recognition, acceptance and application (IFAC, 2010). In this regard, IESs recognise that a university and its degree programme may assist in preparing prospective accountants (IES 2, para 16, 17). Of particular interest for this research are the IESs that set the content of accounting education programmes which are IES2 knowledge, IES3 skills and IES4 values, ethics and attitudes.

Table 2.7 International Education Standards

International Education Standards

IES 1, Entry Requirements to a Program of Professional Accounting Education;

IES 2, Content of Professional Accounting Education Programs;

IES 3, Professional Skills and General Education;

IES 4, Professional Values, Ethics and Attitudes;

IES 5, Practical Experience Requirements;

IES 6, Assessment of Professional Capabilities and Competence;

IES 7, Continuing Professional Development: A Program of Lifelong Learning and

Continuing Development of Professional Competence; and

IES 8, Competence Requirements for Audit Professionals

Note: this table demonstrates the International Education Standards issued by the IAESB of IFAC.

IESs set out that accounting students need to acquire a set of knowledge, skills, and values, ethics and attitudes and have the ability to integrate them together (IES2, 2008, para 4). The knowledge these accounting students need to acquire are prescribed in IES2, “*Content of Professional Accounting Education Programmes*”, which consists of knowledge in the area of accounting and finance; organisation and business; and information technology (IES2, 2008, para 14). This body of knowledge should be gained through intensive courses

which should take at least two years of full time study or the equivalent. However, IES2 only sets out broad subject headings on the premise that accountants will need to continually update their knowledge, as the body of knowledge and local conditions change and as the world's business environment changes. In IES2, IFAC emphasises that:

“The accounting curriculum is itself changing and will continue to change in response to rapidly changing market demands. New topics are entering the curriculum and the relative emphasis among topics is altering. Member bodies may wish to add topics, or alter the balance of their programs, to meet the needs of their particular environment.” (IES2, 2008: para 18, p. 34).

Skills that accounting students should acquire are prescribed in IES3, “*Professional Skills and General Education*”. As shown in Table 2.8, skills are classified into five main groups: intellectual skills; technical and functional skills; personal skills; interpersonal and communication skills; and organisational and management skills (IES3, 2008: para 3). However, IFAC acknowledges that this classification of skills is not exhaustive as skills have been classified and described in various ways (IES3, 2008, para 7). IES3 also explains how general education can contribute to the development of these skills.

Table 2.8 Skills prescribed in IES3

| Skills Group | Sub-skills |
|--|--|
| Intellectual skills | obtaining, organising and understanding information; research skills; analytical thinking; reasoning; critical thinking; and solving problems. |
| Technical and Functional skills | numeracy; decision modelling and risk analysis; accounting measurement; financial and management reporting; regulatory compliance; and IT proficiency. |
| Personal skills | self management; initiative and self learning; prioritisation and deadline management; and anticipating and adapting to change. |
| Interpersonal and Communication skills | working with others or in teams; interact with culturally and intellectually diverse people; make presentations; written communication; oral discussion and debates; and listening. |
| Organizational and Business Management skills | strategic planning; project management; managing people and resources; organisation and delegation of tasks; motivating and developing people; leadership; and professional judgment. |

Note: this table shows the skills that are prescribed in IES3 issued by the IAESB of IFAC.

Values, ethics, and attitudes are considered crucial for accountants to exercise professional judgment and act in an ethical manner that is in the best interests of society and the profession. IES4 “*Professional Values, Ethics and Attitudes*” emphasises that accounting education programmes should lead to a commitment to: (i) the public interest and sensitivity to social responsibilities; (ii) the IFAC Code of Ethics, or its local equivalent; (iii) continual improvement and lifelong learning; (iv) reliability, responsibility, timeliness, courtesy and respect; and (v) laws and regulations (IES4, 2008, para 13, 14, 15). If future professional accountants are to perceive professional values, ethics and attitudes as important to their work, it is essential that they do not perceive the treatment of professional values, ethics and attitudes as only peripheral to their main education programs. Therefore, professional values, ethics and attitudes need to be treated in their own right within the education framework (IES4, 2008, para 8).

From this international framework, individual countries and institutions should embed their own standards that meet their historical, cultural, economic and social values. The next section examines accounting education in developing countries to explain how accounting education may differ or be similar to that in the west.

3.4 Accounting Education in Developing Countries

This section summarises the development of accounting education in developing countries and identifies the main factors influencing accounting education in developing countries.

3.4.1 Development of Accounting Education in Developing Countries

The accounting education topic has begun to attract more interest from researchers with regard to developing countries (Devlin and Godfrey, 1998; Bennett et al., 2004; Dixon, 2004; Mgaya and Kitindi, 2009; Gallhofer et al., 2009; Awayiga et al., 2010). “Developing

countries” is a generic term that refers to a diverse group of countries which share the common characteristic of being underdeveloped. These countries, however, are different from each other in terms of their GNP, population, culture, and economic and political and social systems. Indeed, various definitions and classifications of developing countries exist. Thus, this section includes studies based on countries that have been described by their authors as developing, third world, emerging and less-developed.

Accounting is influenced by its historical, political, social, and economic environments and should be flexible enough to adapt to these different influences (Agami and Alkafaji, 1987; Helliard, 2013). For accounting to do this, educational systems should be designed to ensure that accountants have a broad understanding of the political, social and economic environment. The need for competent accountants is as important in developing countries as in the west, where the environment is continually changing (Agami and Alkafaji, 1987; IFAC, 2008; Gallhofer et al., 2009; Awayiga et al., 2010).

The quality of accounting education influences the type of accounting practised and therefore can affect the economic development of the country (UNCTAD, 1993; Saudagaran, 2004). It has been suggested that the lack of efficient accounting systems and inappropriate accounting practices are among the major factors that are preventing the optimum use of available economic resources or a better standard of living in developing countries. Inappropriate accounting practices and the lack of sound accounting systems are a result of deficient and/or irrelevant accounting education and training programmes found in these countries (Briston and Wallace, 1990; Ndzingi and Briston, 1999).

The majority of developing countries have copied the systems of accounting education systems in developed countries such as the UK and USA. For instance, the influence of

British accounting is still reflected in the Indian, Pakistani, Jordanian, Nigerian, Sri Lanka, and Malaysian accounting education (Briston, 1978; Enthoven, 1981, Chandler and Holzer, 1984; Pok, 1995; Wijewardene and Yapa, 1998; Ashraf and Ghani, 2005). Similarly, accounting education and practice in the former French colonies such as Tunisia, Algeria, and the West African states fundamentally pursues the French system of accounting (Briston, 1978; Enthoven, 1981, Chandler and Holzer, 1984; Pok, 1995; Wijewardene and Yapa, 1998; Yapa, 2000; Annisette, 2000; Prather-Kinsey, 2006; Mashayekhi and Mashayekh, 2008; Yapa et al., 2010; Awayiga et al., 2010). Moreover, Yapa and Wijewardena (1995) note the strong American influence on the development of accounting and accounting education systems in countries including Kuwait, Saudi Arabia, United Arab Emirates, Qatar, Bahrain, Oman and Brunei because of their heavy dependence on the US both economically and politically.

One of the main reasons behind the above is that in many developing countries the establishment of the accounting profession and accounting education occurred during colonisation periods which allowed the colonised powers to transfer their professional accounting institutions practices and accounting education and training systems to the developing countries (Hove, 1986; Wallace, 1990; Wijewardene and Yapa, 1998). Accounting education systems in British colonised countries have inherited the British accounting education system (Briston, 1978; Wijewardene and Yapa, 1998; Annisette, 2000; Prather-Kinsey, 2006; Mashayekhi and Mashayekh, 2008; Yapa et al., 2010; Awayiga et al., 2010). In this regard, Wijewardene and Yapa (1998) noted that:

“During the early years of the colonial period, most sizable businesses in these countries were set up by British investors. The managerial personnel, including accountants, for these enterprises were generally brought from the UK. At the same time a person could obtain the status of professional accountant only by admission to one of the British professional accounting bodies.” (p. 269).

However, latterly some of these bodies have opened examination centres in several developing countries, such as Sri Lanka, Nigeria, India, Ghana; Zimbabwe and Singapore, to give indigenous accounting students the opportunity to gain British professional accounting qualifications while working in their own countries (Wijewardene and Yapa, 1998; Annisette, 2000; Ashraf and Ghani, 2005; Awayiga et al., 2010). This later resulted in a significant number of them satisfying the examination and practical training requirements of these professional bodies and become British qualified accountants. They later played a leading role in their countries' accounting profession, particularly after these countries obtained independence and some of them continued to work as consultants and advisers to their legislative and executive authorities on accounting related issues as well as creating national professional accounting bodies that were virtually carbon copies of British professional accounting bodies (Wijewardene and Yapa, 1998; Annisette, 2000). Consequently, many of developing countries, even after obtaining independence, continued to pursue the same British system to educate accountants, despite the creation of national professional accounting bodies and, in some cases, respectable quality higher education institutions (Briston, 1978; Hove, 1986; Wallace, 1990; Wijewardene and Yapa, 1998; Ashraf and Ghani, 2005). Moreover, in many developing countries British experts were involved in the designing and teaching as well as in providing assistance in the development of educational institutions such as universities and technical colleges during the colonial time and in the early years of independence, which led to British influence upon education in general and accounting education in particular (Foo, 1988; Wijewardene and Yapa, 1998; Annisette, 2000; Ahmad and Gao, 2004).

Most of the Arab countries¹² have at one time or another been controlled by western countries especially the UK and France¹³ and similar to other developing countries mentioned above this lengthy western presence and influence in the region has, considerably, influenced accounting systems and accounting education in these countries. After obtaining independence many of these Arab countries' professional accounting bodies and companies' legislation were based on the British or French ones (Agami and Alkafaji, 1987; Briston, 1990; Kamla, 2007). For instance, Egypt was a British colony from 1882 to 1956 and its accounting education and training, structure of accounting profession, companies' law and the financial reporting practices were largely shaped by the British influence (Samuels and Oliga, 1982; Farag, 2009). Subsequently, Egyptian accounting specialists and academics working in other Arab countries such as Syria, Libya and Gulf States transferred these accounting and accounting education systems to those countries (Al-Rehaily, 1992).

Other reasons that led accounting education systems in developing countries to be influenced by accounting education systems of western countries are technical and financial assistance and education of the accounting academics. In the aftermath of independence many developing countries continued to depend on developed countries to form and improve their accounting education systems. This was supported by many accounting academics and institutions from developed and developing countries in the 1960s as they thought that improving accounting education and practises in developing countries could be achievable via financial and technical assistance from developed countries (Engelmann, 1962; Low, 1967; Salas, 1967).

¹² Arab countries of Egypt, Iraq, Jordan, Yemen, Kuwait, United Arab Emirates, Oman, Bahrain, Qatar, Sudan and Palestine were under British control while Morocco, Algeria, Tunisia, Lebanon, Syria, Djibouti, Mauritania were under French control.

¹³ Libya was under Italian occupation until the end of Second World War, then under British and French administration until 1951 (more details in Chapter 2).

For example, a study of accounting education and practice conducted by Salas (1967) in a number of Spanish Latin countries concluded that most of the difficulties that accounting education in these countries suffers from could be adequately overcome through gaining effective assistance from American universities. In another study, Chu (1969) suggested that the establishment of appropriate exchange programmes with developed countries' universities was the proper strategy to eliminate the problem of the scarcity of qualified accounting lecturers in Taiwan.

In addition to that, the American Accounting Association (AAA) was involved in supporting the technical and financial assistance to developing countries. Its Committee on Accounting in Developing Countries proposed recommendations on the possible ways that AAA should participate in the improvement of accounting education and practice in developing countries (AAA, 1976). Enthoven (1976), who was a member of this committee, claimed that to implement accounting improvement and plans at a country and regional level different forms of technical assistance would be required. He went on and proposed that:

“In the first instance, associations in the various branches of accounting, and educational and training institutions in both developed and developing countries should become actively involved. This may well become the function of an International Accounting Development Association, or any other vehicle of international technical assistance.” (p. 139).

In this regard, a framework of accounting educational assistance for the Association was suggested by the Committee on International Accounting Operation and Education of AAA. This framework proposed that external financial assistance could greatly help in the development of accounting instruction, curriculum and educators in developing countries. The Committee also proposed that AAA could play an important role in stimulating accounting education, research, development and technical assistance to developing countries (AAA, 1978).

As a result of the above mentioned plan, many developing countries' accounting education systems continued to be influenced by the western accounting education. However, the dominance of the US in particular has started to occur as Akathaporn et al. (1993) notes that accounting practice and accounting education in Thailand has had a major influence from American accounting practice and education. This was a result of the operation of US based corporations and economic aid agreements to this country as well as the fact that the US was the main destination of many Thai accounting students to complete their postgraduate studies (Akathaporn, et al., 1993; Yapa and Pholkeo, 2012). In a similar vein, Foo (1988) indicates that the American influence started to replace the Dutch heritage in Indonesian university accounting education in the 1950s as result of financial and technical aid by American aid organisations and universities to develop accounting infrastructure, train teachers, grant overseas training to Indonesia, and supply lecturers and textbooks. However, both the Dutch and American systems were used in Indonesian universities until 1977 when a harmonised accounting programme was introduced, which resulted in the total conversion to the American system (Foo, 1988).

In another context, Bobe and Mihret (2011) show that, although Ethiopia has never been colonised, the accounting profession and accounting education in Ethiopia is modelled on western systems. British accounting practice is predominant as British experts were the first to carry out public accounting practices in the country; and the early Ethiopian professional accountants obtained British accounting qualifications. In contrast, Ethiopian accounting education geared toward American accounting education as it was given assistance from the US in providing experts and textbooks. Bobe and Mihret (2011) note that both influences are still present which has led to a misalignment of the accounting education and accounting profession and has adversely influenced the development of accounting and restricted its contribution to the economic development of the country.

Another factor that has facilitated the western influence on accounting education of developing countries is the political situation. Many Arab countries, such as the Gulf States, Jordan, and Libya remained absolute monarchies, ruled by royal families after independence and were supported by the British and hence retained close political and economic ties with Britain and the West which allowed western accounting professions and accounting education to continue influencing these countries accounting profession and accounting education (Abdeen and Yavas, 1985; Agami and Alkafaji, 1987; Cleveland, 1994; Kamla, 2007; Ahmida, 2012). Agami and Alkafaji (1987) who studied accounting education systems in several Arab countries including Egypt, Jordan, Saudi Arabia, Libya, Iraq and Kuwait, stated:

“Politics has played a vital role in shaping and forming accounting education in the countries studied. One important political element is the transfer of accounting education from one country to another, which occurs when one country has strong political ties with another. These ties have taken different forms, including colonization. Countries such as Britain and France transferred many elements of their educational systems to their colonies. Direct colonization does not exist now on a widescale basis, but political relationships between nations are influenced heavily by economic interests and international trade. For example, many of the major economic and political allies of the United States have adopted accounting educational systems similar to those it uses.” (p. 152).

Moreover, after the dissolution of the Soviet Union in 1991, many other developing countries such as Eastern Europe states, former Soviet states and China faced rapid and fundamental economic and social changes and these changes affected accounting and accounting education (Yu, 1994; Enthoven et al., 1998; Chan and Rotenberg, 1999; Preobragenskaya and McGee, 2003; McGee, 2008). Consequently, accounting education had to be reformed to prepare graduates to be capable of facing the new challenges. In these countries the number of universities that offered accounting degrees increased rapidly. Accounting education programmes such as Bachelor Degrees and Master’s Degrees are offered by universities that had never before taught such programmes (Enthoven et al., 1998; McGee, 2008). For example, by 2003, 26.6% of the Russian

universities taught accounting (Preobragenskaya and McGee, 2003). This percentage may not appear very high by western standards since, in the west, most universities offer accounting courses. However, this percentage is much higher in Russia than it was ten years ago, and it is likely to get even greater in the forthcoming years (Preobragenskaya and McGee, 2003).

An important underlying element in improving accounting is the development of curricula for educating and training students, practitioners and academics. Most universities in these developing countries have developed new curricula which incorporate subjects that are more related to market-based systems as opposed to their own economic and business systems. Many new subjects have been integrated into the syllabus related to International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA) (Preobragenskaya and McGee, 2003). In Armenia, for instance, the accounting university curriculum reform programme has been conducted with the support of the United States Agency for International Development (USAID) and the universities have started using the new curricula in their classes and the Armenian Accounting and Auditing Association has also started using it in its certification exam preparation courses (Preobragenskaya and McGee, 2003; McGee, 2008). In other former Soviet states, similar programmes to reform their accounting education are in progress and they all have common elements with some differences as each country has customised its programme to serve its local needs (McGee, 2008).

In China, the university accounting curriculum has undergone rapid change, influenced by the country's political and economic reforms (Chan and Rotenberg, 1999; Yu, 1994). The high proportion of ideological and political education has been reduced substantially and market-based economic, organisational, and management theories have gained importance

(Gao, 1995). Furthermore, many subjects, with an emphasis on basic principles and common techniques, and accounting and management theories developed in western countries, have increasingly been integrated into the accounting curriculum following the issue of Accounting Standards for Business Enterprises in 1992 (Winkle et al., 1992). Moreover, China's universities began to rewrite textbooks according to the new curriculum, which concentrated on fundamental accounting, financial accounting, management accounting, cost accounting, auditing, computerised accounting and international accounting (Tang, 1997). In general, these new text materials have come from different sources such as western textbooks, and training materials for international certification. In contrast to old textbooks, the new texts are more conceptually oriented and introduce comprehensive frameworks such as that of the US (Tang, 1997). The development of students' learning ability and interpersonal skills has also gained more emphasis. For instance, universities require undergraduate and postgraduate students to develop skills in writing and oral communication, conference presentations, foreign languages, information technology, and organising. This emphasis reflects the changing requirements of prospective employers where they place more emphasis on overall ability rather than just technical competence (Xiao and Dyson, 1999; Lin, 2008).

However, the strategy of transferring accounting technology from developed countries to developing countries has been criticised by a significant number of scholars, many of whom have started to point out that such a strategy cannot provide a satisfactory solution to the problem of producing accountants who are capable of meeting the accounting information needs of developing countries. They argue that the culture, social, and economic environment varies between developed and developing countries, and that the transfer of accounting from developed countries has become an obstacle to the development of their own systems of accounting and accounting education which are more

appropriate and effective in their own context (Hove, 1986; Mueller, 1988; Perera, 1989; Briston, 1993; UNCTAD, 1993; Annisette, 2000; Mahmud and Russel, 2003; Dixon, 2003; Bennett et al., 2004; Gallhofer et al., 2009).

In this regard, Dixon (2003) discusses the context of accounting education and training programmes in Tarawa in the Pacific islands of Kiribati. His findings stress the significance of examining a country's history and culture that could assist to ensure that the accounting curriculum is properly contextualized and that implicit assumptions about essential subjects, such as the processes of economic coordination, and personal and business relationships in the Anglo-American business content, may in fact not be applicable to the country. Therefore, accounting education in Kiribati should primarily identify how to achieve a process and structure that is inclusive and sustainable and a curriculum that will remain relevant. Dixon (2003) notes that this could well apply to other developing countries with respect to the variety of economic, demographic, social and other conditions. Lovell and Dixon (2004) also argue that research on particular developing countries is necessary since context is important when devising accounting education programmes. Bennett et al. (2004) study the five developing countries of Zimbabwe, Nicaragua, Guatemala, Vietnam and Tanzania and also stress the necessity of recognising the country context to adequately train finance personnel.

However, some researchers have suggested that the gap between developing and developed countries has narrowed; as a result, the accounting information needs of the two are no longer as different as was previously thought. Ndzingi (1997) suggests that this is because of the changes that have taken place in developing countries in the past number of years. These changes include the privatisation of parastatal organisations, the emergence of stock markets and the development of the accounting professions. These developments mean that

there is now a demand for accounting information that satisfies the private investor, as is the case in the West. Chamisa (2000) also argues that the accounting information needs of developing countries, is not very different from that of developed countries. Preobragenskaya and McGee (2003) claim that in many developing countries, accounting is no longer just an instrument of state control but had to be a tool of business communication. The importance of financial information has increased and the accountant's role has changed as managers expect more from their accountants today than previously. Accountants are now expected not only to provide facts and details but also to help make decisions that affect a company's business and even its survival. Therefore, accounting education programmes in these countries need to be relevant to the business environment's needs. However, some problems still remain; these need to be attended to in order for accounting education to fulfill its potential role of producing well-rounded accountants that can assist in the economic development of developing countries.

This section shows that accounting education in most developing countries has not developed as a response to the accounting needs stemming from their own social, cultural, political and economic conditions. These programmes, to a large extent, are similar to western ones that, even after independence, have continued to depend on western countries to form and enhance their accounting education programmes. However, the form in which this dependency occurred has changed to reflect the operations of transnational corporations, professional accounting institutions and the special requirements of economic aid agreements. In the last twenty years, political and economic changes in many developing countries have resulted in changes to the financial information needs with the emergence of a private sector and capital markets and such changes have increased the need for the relevance of their accounting education programmes to meet the needs of their current business environment.

3.4.2 Factors Influencing Accounting Education in Developing Countries

Despite the developments in accounting education in developing countries, it still faces major problems. The Committee on Accounting in Developing Countries of the AAA conducted a study on the problems of accounting education in several developing countries between 1973 and 1975. The study identified that many of the most important accounting practice problems in developing countries result from causes deeply rooted in accounting education as most developing countries do not adapt accounting education systems to their particular economic, social and cultural environments. Therefore, many of these imported accounting educational systems may have failed to produce accountants who can meet the challenges of their own societies having been educated to operate in an accounting environment different from their own. Indeed, Wallace and Briston (1993) suggest that:

“At present, for a variety of reasons, developing countries continue to adopt foreign accounting educational systems. This is often expensive, and the adopting country has little control over the relevance of imported accounting and educational systems to its environment. Developing countries should consider the cost and the probability that imported systems would produce local accountants who have imbibed a foreign accounting culture which they are unable to adapt to the needs of their countries.” (p. 216).

As Agami and Alkafaji (1987) note, an educational programme of accounting in developing countries should prepare accounting students to understand and apply the skills that they have learned to combine knowledge from different disciplines to identify significant issues, to exercise judgment, to formulate proposals and to be able to communicate. They further point out that “an effective educational system in one country might poorly serve the needs of another country if the two nations have drastically different economic systems or social and cultural settings” (p. 145). Moreover, Rowlands (1995) states that the poor state of accounting education in developing countries has contributed to the poor state of accounting systems in those countries, including the fact that various features of education have been adapted from developed countries with limited adjustments to suit domestic context.

In many countries the first step of accounting training is at university, including that of Libya. Most of the curriculum in developing countries is similar to that in developed countries. Many studies point out to the irrelevance of a western accounting university curriculum to the local needs in many developing countries (Abdeen and Yavas, 1985, Novin and Baker, 1990; UNCTAD, 1993, Mahmud and Russel, 2003; Dima, 2003; Gallhofer et al., 2009; Bobe and Mihret, 2011). In many developing countries the role of accounting in different economic, social, and legal backgrounds is not emphasised in the university accounting curriculum, where courses devoted to this are not offered on a regular basis. Enthoven (1981) suggests that the major deficiency in the accounting education and training systems of developing countries is its bias towards private sector accounting information users resulting in the lack of awareness by government authorities of the role and necessity of accounting. He further notes that accounting education programmes in developing countries tend to put more emphasis on financial enterprise accounting with little emphasis on managerial, governmental, and even macro (national) accounting. Further, Enthoven (1991) states that:

“Accounting education structures and activities should take into account socio-economic objectives. It is not very beneficial to copy educational systems from abroad without assessing them in the light of a country’s requirement. Accounting education and educators may have to answer such basic questions as: what are the country's accounting information needs? What is available qua skills and data? What sort of and how many accountants do we have to educate for the short, medium, and long term?” (p. 273).

Novin and Baker (1990) argue that the lack of relevance of the curriculum can be traced to the influence of the western accounting system that has dominated accounting education and practice in developing countries and recommend that accounting programmes should put more emphasis on subjects such as governmental accounting, accounting for not for profit entities, managerial and cost accounting, and accounting information systems. With little knowledge in analysis, design and implementation of accounting systems, the accounting graduates from developing countries are ill equipped to bring about

improvements in the existing systems and procedures. Moreover, the study conducted by Dima (2003) on accounting education in Botswana found that the university accounting curriculum does not cover areas of accounting that are important to Botswana, such as accounting for agriculture, government accounting and accounting for mining and the extractive industries despite the fact that these constitute more than 70 per cent of its GDP.

In addition to the debate about the lack of adaptability of accounting education programmes to the needs of developing countries, there is a need for well-trained academic staff which many universities in developing countries lack (Novin and Baker, 1990; Akathaporn et al., 1993; UNCTAD, 1993; Tarp, 1993; Khasharmeh, 1995; Mahmud and Russel, 2003; Al-Akra et al., 2009; Bobe and Mihret, 2011; Abiodun, 2012; Yapa and Pholkea, 2012). Al-Akra et al. (2009) note the scarcity of qualified staff contributes to the deteriorating quality of accounting education in Jordan. Many accounting staff lack adequate knowledge of modern theories and practices. As a result, many important topics either are not taught or are poorly taught in the Jordanian universities. Indeed, the AAA Committee on Accounting in Developing Countries, 1973- 1975 concluded that:

“...the study results suggest this critical problem to be the professor specifically, the quality of professors in the developing countries and employment conditions which influence their dedication to teaching.” (p. 211).

Further, Abdolmohammadi (1988) proposed the exchange of accounting faculty between Pacific Basin countries and developed countries, and to encourage doctoral education and research sabbaticals between accounting educators in developing countries and their colleagues in developed countries. In this regard, the United Nations Conference on Trade and Development (UNCTAD) report (1993) concluded that educator salary levels should be relatively comparable to those of professional accountants and auditors, and recommended that:

“Responsible parties such as local and national Governments and educational institutions, could be encouraged to take steps to ensure competitive salaries for accounting faculty at entry level and throughout their career. Competitive salaries will provide the necessary incentive for promising individuals to pursue careers in accounting education and research.” (p. 13).

In many developing countries inadequate salaries and deteriorating living conditions have led many highly-qualified and trained accounting staff to take up positions in other countries (Devlin and Godfrey, 1998; Bobe and Mihret, 2011; Abiodun, 2012). Bobe and Mihret (2011) report that the “brain drain” has been a major factor that has set back the development of accounting education within the Addis Ababa University in Ethiopia as many staff went abroad for further studies in the 1980s and 1990s and did not return. For the same reasons, staff who remain supplement their income by consulting or by having their own professional practices, which makes them less available to advise students, participate in improving and updating the curriculum, conduct research or attending professional meetings and continued educational workshops and seminars (UNCTAD, 1993; Tarp, 1993; Khasharmeh, 1995; Mahmud and Russel, 2003; Bobe and Mihret, 2011; Abiodun, 2012). According to Devlin and Godfrey (1998) this problem is particularly common in the public universities sector in East Africa where accountancy lecturing staff have second jobs in the private sector and in many cases, the major part of the working day is devoted to the ‘second job’. As a result of this situation, academic institutional development of the curriculum has been set back and has led to lower educational standards, lower faculty morale, weak loyalty and weakened disciplines, and has increased the motivation and temptation for corruption and inadequate accountability.

Novin and Baker (1990) also reveal that the most important problem hindering accounting education and training in developing countries is lack of qualified lecturers. Therefore, they recommend that developing countries should develop effective programmes to train and upgrade their accounting lecturers and recommend that:

“...special attention should be given to the salary structure of academics in order to prevent them from leaving the country and /or holding other jobs with long working hours in order to supplement low teaching salaries.” (p. 253).

Akathaporn et al. (1993) in a study on Thailand found that there was also a lack of an adequate number of accounting educators caused by low salaries of the accounting educators and Yapa and Pholkea (2012) conclude that the acute shortage of qualified accounting academics in Thailand has also negatively impacted on the quality of accounting graduates.

Abiodun (2012) surveyed accounting departments within Nigerian universities and found that the tendency of high-level accounting graduates and accounting teaching staff to move towards better paid sectors negatively influenced accounting education in Nigerian universities as most of accounting teaching staff were classified as being of a low education level, as most of them lacked enough postgraduate training. The academic cadre in those universities was bottom heavy with about 90.3% of the staff occupying the lower cadre (Lecturer I and Lecturer II) and only 9.7% occupying the upper cadre (Senior Lecturer, Assistant professor and Professor). This in turn had an adverse impact on graduates and the research activities as senior staff were expected to have more ability to lead such activities (Abiodun, 2012).

Furthermore, other problems in accounting education in developing countries is the severe shortage of textbooks, journals, and other teaching materials that meet the educational needs of the students. As a result of the scarcity of qualified lecturers and low salaries, little or no motivation exists for academics to write accounting textbooks that focus on accounting in developing countries. In addition, the lack of funds experienced by many universities in these countries prevents them from purchasing up-to-date texts. In many

developing countries, the textbooks being used are, often, out of date as they are ten, twenty, thirty or even more years of age (Akathaporn et al., 1993; Khasharmeh, 1995; Magembe et al., 1999; Gallhofer et al., 2009; Bobe and Mihret, 2011). Most of the textbooks used in universities' academic programmes are imported from developed countries, such as the UK and USA, and are based on the accounting needs of their own economies and have very little relevance to developing economies. For this reason, students are sometimes taught phenomena which do not exist in their own environment (Enthoven, 1981; Anyane-Ntow, 1992; Magembe et al., 1999; Yap, 2000; Ahmad and Gao, 2004; Yapa et al., 2010). In this respect, Akathaporn et al., (1993) also found that insufficient number of accounting textbooks that are written in Thai is a significant problem for the accounting education in Thailand. They suggest that serious efforts should be made to develop textbooks written in the native language that suited to the Thai environment. Bobe and Mihret (2011) report that there is a lack of locally authored accounting textbooks in Ethiopia and most of accounting and finance courses' textbooks at Addis Ababa University are imported from western countries. This dependence on imported textbooks also determines the orientation of accounting education to be focused on advanced economies rather than to the local context of Ethiopia. Novin and Baker (1990) warned accounting educators in developing countries that:

“Translating foreign accounting textbooks, research and pronouncements without effectively determining their relevance for a given country's needs is not useful. Efforts should be made to prepare and appraise the inventory of currently available accounting textbooks as well as other course material in given domestic language and, then, areas should be identified.” (p. 255).

Novin and Baker suggest that accounting textbooks and course material should be cautiously selected for the areas identified as deficient then adapted and translated; the use of practice sets and business documents and relevant cases should also be considered.

In addition, accounting education at university level in many developing countries faces the challenge of a large number of students in classes. As a result, the opportunity for students to participate in class discussion or to interact with educators is limited which prevents the development of skills such as critical-thinking and communication skills. Gallhofer et al. (2009) report two factors that contribute to the increase in the number of students within accounting education at university level in Syria. First, the limited resources allocated to develop new campuses by the Syrian government and second, the amendments of Accounting Law to emphasise undergraduate accounting degrees as the entry requirement to the profession made accounting favoured over other disciplines in Economics Faculties. Universities in developing countries also use the traditional classroom lecture method reflecting a very limited interaction between teachers and students in the classroom; neglecting the development of students' learning abilities and skills. Lecturers consider it their responsibility to know the subject content well and explain it clearly. They focus on transferring knowledge on to students, expecting them to attend classes, take notes, and read study materials. This in turn has led to techniques such as small group tutorials, student presentations, and group course work assignments seldom being used. Computer facilities and other supporting equipment and resources are also neither adequate nor up to date (UNCTAD, 1993; Magembe et al., 1999; Gallhofer et al., 2009). Nassar et al. (2013) find that underfunding of computers and laptops and large class sizes at Jordanian universities negatively affects the learning process of accounting students.

Consequently, accounting education skill development remains a weak area that needs to be strengthened significantly to satisfy the job market in developing countries (Akathaporn et al., 1993; UNCTAD, 1993; Magembe et al., 1999; Ahamad and Gao, 2004). Moreover, a review of the literature reveals that very few studies have been conducted on the teaching methods and skills development of accounting students in developing countries. Awayiga

et al., (2010) in Ghana and Mgaya and Kitindi (2009) in Botswana and Memiyanty et al. (2010) in Malaysia show that accounting graduates, employers, educators and practitioners attach a high importance to most of the technical and non-technical skills that must be possessed by accounting graduates and suggest that accounting education programmes should be re-designed to include content and teaching methods that develop both technical and non-technical skills in students.

Furthermore, accounting departments at universities have no meaningful contact with the profession. In most cases, the academic programmes do not include any practical experience, and there is very little use of guest speakers from industry, commerce, government, or practicing accounting firms (Magembe et al., 1999; Gallhofer et al., 2009; Mgaya and Kitindi, 2009). Conferences and seminars to expose educators, students, and practitioners to global developments in accounting in developing countries are not actively pursued. Such seminars and workshops could bring together practitioners, educators, and government officials to discuss issues, and to get more input from industry, government, and the service sector into university curricula in order to make programmes more relevant to the needs of these countries (Magembe et al. 1999; Yap, 2000; Al-Basteki, 2000; Gallhofer et al., 2009; Mgaya and Kitindi, 2009). Mgaya and Kitindi (2009) conclude that their results confirm the widely held view that accounting education in Botswana is not producing graduates with the essential skill demanded by the job market, and state that:

“The problem, however, stems from the fact that in many countries and Botswana in particular, accounting educators do not have the opportunity to gain practical experience. Apart from the educators who join academics from industry, those who commence their careers within the academic institutions end up being instructors for most of their careers. Some do not even have the opportunity, or see the need, to obtain professional qualification. When this is the case, it is easy to see why there is a disconnect between the education given to accounting students and the practical requirements in the market.” (p 345).

They also suggest that closer cooperation between the accounting profession and universities should be encouraged through coordination between the Botswana Institute of Accountants and various accounting academic institutions as well as different employers and especially public accounting firms so that accounting educators can acquire the requisite experience and exposure. Novin and Baker (1990) propose that such cooperation could be in form of: (i) having accounting educators and government and private accounting practitioners serve as members of accounting advisory committees; and (ii) inviting accounting practitioners to visit university classrooms and/or participate in student functions for question and answer periods. The university-profession partnership is studied by Yap (2000) who highlights that to prepare students for the profession a full-time broad-based education through partnership between the university and the accounting profession is needed. A closer relationship between accounting education and the accounting profession is analysed in Syria by Gallhofer et al. (2009) to foster the development of accounting and improve Syrian accountants' skills and knowledge base. In the same vein, Awayiga et al., (2010) encourage developing countries to reconsider their accounting education process, and introduce changes to focus on skill development, especially the need to introduce industrial attachment, encourage practicing accounting firms to forge links with academic institutions to assist in infusing accounting practical training with classroom theory.

This section reveals that accounting education programmes in developing countries are affected by many problems. Some of these problems are related to the curriculum and a lack of sufficient resources. As a result, many researchers suggest that accounting graduates in those countries fail to satisfy the business environment's needs.

3.5 Summary

This chapter provides a literature review on accounting education in developed and developing countries. The chapter also analyses the problems that are faced by developed and developing countries in their attempt to build accounting education systems that meet the needs of business and society. Accounting education was first developed by the accounting profession in the UK through an apprenticeship system that favoured practical experience. Generally, accounting education was integrated into the university sector with more emphasis on providing students a theoretical background about accounting concepts and principles, which first started in the USA and then spread to other countries in the world and has now become one of the main channels to educate accountants.

Accounting education programmes at university have however been subject to constant criticism as they do not equip students with the knowledge and skills needed. There is a heavy focus on financial accounting subjects and less emphasis on broader business knowledge and non-technical skills.

At an international level, IAESB of IFAC has made efforts to harmonise accounting education programmes around the world. It issued IESs in 2003 which define the knowledge, skills and ethics, values and attitudes that should be included in accounting education programmes. Universities are recognised as one of the main forums to provide accounting education and in many countries in the world, such as Libya, it is the only path to educate accountants.

With respect to developing countries, accounting education at universities is also deficient. Most developing countries have inherited their accounting education from western countries and then through the operations of transnational corporations, professional

accounting institutions and the special requirements of economic aid agreements, rather than in response to the accounting needs emanating from their local social, cultural, political and economic conditions.

Accounting education programmes in developing countries do not include subjects that are important to these countries, such as small business accounting, government accounting, mining and extractive accounting. In addition, universities lack sufficient resources with a lack of qualified educators, as many have left to go to other jobs, either in other sectors or other countries due to low salaries. The remaining academics often have a second job to supplement their income which limited the time they devoted to help students and conduct research that develops their knowledge and skills and assists in the development of up-to-date syllabus. The lack of funds also prevents universities from providing up-to-date textbooks and educational infrastructure, such as internet, laptops and computers. This is all coupled with the large number of students in classes. Furthermore, in many developing countries the traditional lecture is the main teaching method and innovative teaching methods that can help to impart skills to accounting students, such as case studies and small group discussions, are in very little use as well as a lack of liaison with the profession. The UNCTAD report (1993) states:

“While accounting education is not coping completely with these challenges anywhere in the world, it is falling further behind in some parts of the world, particularly in developing countries.” (p. iii).

This suggests that in developing countries many improvements need to be achieved in the accounting curricula design, teaching methods and resources allocation, and teaching staff development.

This thesis investigates accounting education programmes in Libya including the accounting curriculum and syllabus, the teaching methods adopted and the textbooks used

and explores the institutional factors, such as the social, cultural, political, economic and legal environments, that influence them and the accounting academics' organisational logics. The next chapter presents the theoretical framework adopted in this thesis.

Chapter 4: Theoretical Framework

Chapter 4

Theoretical Framework

4.1 Introduction

Chapter 2 presented the Libyan historical, social and political context. It also reviewed the Libyan higher education system and accounting education in Libya. Chapter 3 reviewed the relevant literature on accounting education development, and problems and criticisms in developed and developing countries. This chapter outlines the theoretical framework that is adopted to interpret the findings in this thesis. In particular, this thesis investigates current accounting undergraduate education practices at Libyan universities in order to provide a picture of how different types of institutional pressures or factors (isomorphism) have influenced or shaped the current practice of undergraduate accounting education. It employs a new institutional sociology theoretical framework to explore these influences. This chapter is organised as follows. Section 4.2 defines theory and its importance to research. Section 4.3 discusses the institutional theory framework and its sub theories. Specifically, it focuses on the new institutional sociology perspective of institutional theory. Section 4.4 summarises the chapter.

4.2 Theoretical Framework

May (2011) highlights the association of theory and research, stating that:

“...for social research to both intellectually develop and to be of use in understanding and explaining the social world, we need theory and theory needs research.” (p. 30).

Numerous theories can be utilised for research and there are diverse explanations of what represents a theory. According to Smith (2011) theory is “...a set of tentative explanations which help to make sense of the diversity” (p. 6). Abbott and Mckinney (2013) consider that theory creates assumptions regarding human nature and provides “...general

explanations of a variety of social behaviors given certain social conditions” (p. 22). While, Remenyi et al. (1998) define theory as:

“A scientifically acceptable general principle or set of principles offered to explain a phenomenon or group of phenomena.” (p. 290).

Accordingly, a theory provides a coherent set of rationally derived principles that serve as a frame of reference for evaluating and developing practice and discussing related concepts and designing a framework around the structure of these concepts and how they are put together. This framework should work as a basis for understanding, interpreting and explaining the relationships among the different factors that are being investigated and are considered important for a particular research study. The researcher also needs a framework to explain the research findings and contribute to development of the topic being studied (Eisenhardt, 1989; Sekaran, 2003; Abbott and McKinney, 2013).

In social sciences, theoretical frameworks are employed to: provide different insights into organisations; to enhance knowledge and understanding; and to provide a coherent and systematic framework for the analysis, understanding and development of organisational and social practices (Hoque, 2006; May, 2011). In this thesis, theory is used to offer a coherent explanation for the justification, analysis, understanding, development, structure, processes and practices of accounting education of undergraduate students in a Libyan university context.

4.3 An Institutional Theory Framework

This thesis uses an institutional sociology perspective as a theoretical framework. This perspective is used to explain and understand the institutional pressures or factors that influence and shape undergraduate accounting education in Libya. Specifically, it is employed to develop and interpret the research designed to provide answers to the

following questions: (i) what institutional pressures (factors) influence accounting education practices in Libyan universities; and (ii) what is the dominant logic of Libyan accounting academics. This section outlines the new institutional sociology perspective of institutional theory.

Using institutional theory is appropriate to the Libyan context and to the aims of this thesis given the country-specific historical, cultural, social, economic and political factors that need to be considered when researching influences over accounting education. Lovell and Dixon (2004) maintain that research on particular developing countries is necessary and that the context is important when designing accounting education programmes. Dixon (2003) also notes that developing countries are different with respect to their economic, demographic, social and other conditions which may differently influence the development of accounting education. In the same vein, Gallhofer et al. (2009) argue that considering the context of Arab and Middle Eastern countries could provide valuable insights into the developments and challenges of accounting education and its consequences on accounting academia. Therefore, knowledge of Libya and its historical, cultural, social, political, economic characteristics are necessary to understand their effect on accounting education development and practices. In addition, institutional theory has been widely applied to the study of structures and practices in non-profit organisations, including universities, governments and non-government organisations (Mayer and Rowan, 1977; Bealing et al., 1996; Townley 1997; Kirby-Harris, 2003; Levy, 2006; Gonzalez and Hassall, 2008; Gonzalez et al., 2009; de Lange, 2010; Decramer et al., 2012).

Universities, in which Libyan accounting education is situated, operate in and constantly interact with unstable external environments and are loosely coupled (Elzalitni, 2008; Al-Hawat, 2003), hence are very much influenced by, their external environments (Meyer and

Rowan, 1977; Meyer and Scott, 1983; Dehler et al., 2001; Meyer and Rowan, 2006; Levy, 2006; Scott, 2008; de Lange et al., 2010). In this regard de Lange et al. (2010) emphasise the significance of a new institutional sociology framework in studying accounting education practices at Australian universities given the strong institutional environment that universities face as result of their heavy reliance on state financing and patronage. Building on this, de Lange et al. (2010) argue that public universities appear to face different elements of isomorphism that are worthy of examination in different settings. Gonzalez and Hassall (2008) also advocate that accounting education is embedded within the wider system of higher education in many countries hence is subject to the effects of external institutional constituents. Therefore, they call for research to explore to what extent external factors have influenced the delivery of accounting education. Thus, employing institutional theory is a suitable lens through which to analyse and understand the effects of these institutional pressures on accounting education practices at Libyan universities, as well as the reactions and behaviours of Libyan accounting educators to those pressures.

There are multiple forms of institutional theory that are used in numerous scholarly disciplines, such as sociology, politics and economics (DiMaggio and Powell, 1991; Scott, 2001; Moll et al., 2006; Thornton and Ocasio, 2008). However, the traditional forms of institutional theory used in academic research are: (i) Old Institutional Economics (OIE); (ii) New Institutional Economics (NIE); and New Institutional Sociology (NIS) (Burns and Scapens, 2000; Deegan and Unerman, 2006; Dambrin et al., 2007; Boland et al., 2008). Moreover, institutional theory has recently been adopted by researchers to study accounting education issues (Mayper et al., 2005; Gonzalez and Hassall, 2008; Gonzalez et al., 2009; de Lange et al., 2010; Crawford et al., 2011; Venter and de Villiers, 2013).

The various forms of institutional theory are bonded by a core assumption that institutions matter (Moll et al., 2006; Lawrence et al., 2011). However, there is no universal definition of an “institution” amongst researchers. Burns and Scapens (2000) define an institution as:

“...the shared and taken-for-granted assumptions which identify categories of human actors and their activities and relationships.” (p. 8).

From this perspective, Burns and Scapens (2000) further argue that institutions comprise the taken-for-granted assumptions which inform and shape the actions of individual actors and are the outcome of social actions, i.e. they are socially constructed. Khadaroo and Shaikh (2007) state that an institution not only comprises the structures, policies and procedures specific to a particular organisation but also those of several organisational systems coming together to accomplish a common objective. Hodgson (2006) generally defines institutions “as systems of established and prevalent social rules that structure social interactions” (p. 2). He further argues that:

“In part, the durability of institutions stems from the fact that they can usefully create stable expectations of the behaviour of others. Generally, institutions enable ordered thought, expectation, and action by imposing form and consistency on human activities. They depend upon the thoughts and activities of individuals but are not reducible to them.” (p. 2).

This suggests that while individual and organisational action is embedded within institutions, institutions are socially constructed and therefore constructed by the actions of individuals and organisations (Thornton and Ocasio, 2008). In a broader sense, Huntington (1968) describes an institution as the governance structures of cultural elements such as rules, norms, values, role, systems behaviours and formal and informal procedures that form and define the relations between the people and political, economic and social systems. He further explains that the term “institutionalisation” is the process by which organisations and procedures acquire value and stability and legitimacy to accomplish their goals. This institutionalisation, according to Meyer and Rowan (1977), involves the process by which social processes, obligations, or actualities come to take on rule-like status in

social thought and action, while Zucker (1983) indicates that institutionalisation operates to produce a common understanding about what is appropriate and, fundamentally, what is meaningful behaviour.

Institutional theory examines the deeper and more resilient aspects of social structures (Scott, 2005). This is often done through considering the processes by which structures, including rules, norms, and routines become established as authoritative guidelines for social behaviour and also inquiring into how these elements are created, diffused, adopted, and adapted over space and time and how they fall into decline and disuse (Scott, 2005). In this regard, OIE theory is concerned with understanding and explaining economic phenomena, and describing why and how these phenomena become what they are, or are not, through time (Burns and Scapens, 2000; Boland et al., 2008). It concentrates on the multiplicity of formal and informal influences that are of an institutional nature including rules, habits, routines, norms and taken-for-granted assumptions (Moll et al., 2006). Moreover, from an OIE perspective, power and politics, learning and innovation are important influences for shaping systems and practices over time (Moll et al., 2006).

NIE theory is more interdisciplinary, combining various social science disciplines, but its primary language is economics. Its aim is to explain what institutions are, how they arise, what purpose they serve, how they change, and how, if it all, they should be changed (Klein, 2000; Boland et al., 2008). From a NIE perspective, institutions are seen as rule-like, rational-choice, optimising structures at both the societal and organisational level. NIE adopts a micro-analytical economic approach, assuming rational-optimising behaviour by humans in the selection or decisions of which structures minimise transaction costs or maximise organisational value and equilibrium. It also assumes that systems in place are

the optimal choice, where only disequilibrium requires action to change (Hodgson, 1993; Moll et al., 2006; Burns, 2010).

NIS emerged out of opposition to the rational-actor assumptions above and is now generally viewed as a mainstream theory in its sociological field (Scott, 2001). The work of researchers such as Meyer and Rowan (1977) and DiMaggio and Powell (1983) laid the foundation of NIS. It stresses the relationships between an organisation and its environment, and emphasises the significance of culture and power in shaping organisational structures (DiMaggio and Powell, 1991). DiMaggio and Powell (1991) state that NIS comprises:

“...a rejection of rational-actor models, an interest in institutions as independent variables, a turn toward cognitive and cultural explanations, and an interest in properties of supraindividual units of analysis that cannot be reduced to aggregations of direct consequences of individuals’ attributes or motives.”
(p. 8).

NIS focuses on institutions at the more ‘macro’ level of organisational fields or sectors (Ribeiro and Scapens, 2006). It claims that structures and practices of organisations are shaped by external factors, and that the environment, rather than internal technical requirements, best explain the diversity of organisations (DiMaggio and Powell 1983; Lepoutre and Valente, 2012). In this respect, the action of an organisation is not a choice among an unlimited array of possibilities determined by only internal arrangements, but rather is a choice among a narrowly defined set of legitimate options determined by the group of actors composing the organisation’s organisational field (Scott and Mayer, 1994; Lepoutre and Valente, 2012).

Educational organisations, such as universities, are similar to any other type of organisation, and exist in an organisational field defined by Scott (1995) as “a community of organizations that partakes of a common meaning system and whose participants interact

more frequently and fatefully with one another than with actors outside the field” (p. 56).

DiMaggio and Powell (1991) called an organisational field as:

“...those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products.” (p. 64-65).

An educational institutional organisational field may include constituents such as the government, accreditation agencies, teacher training programmes, state boards of education, state legislatures, sources of funding, special interest groups, general public, professional and trade associations and textbook producers (Scott et al., 2000; Hanson, 2001). These different groups may impose various influences on a given focal organisation or population of organisations (Scott and Meyer, 1991; Hoffman, 1999; Lepoutre and Valente, 2012; Decramer et al., 2012). In this context, NIS framework is useful to explain and understand the social, economic and political pressures on practices, organisations and countries and how they strategically react to these pressures (Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Oliver, 1991; Scott, 2001; Moll et al., 2006; Scott, 2008; Decramer et al., 2012; Souitaris et al., 2012). Scott (1995) states that:

“All organizations are institutionalized organizations. This is true both in the narrower sense that all organizations are subject to important regulative processes and operate under the control of both local and more general governance structures, as well as in the broader sense that all organizations are socially constituted and are the subject of institutional processes that define what forms they can assume and how they may operate legitimately.” (p. 136).

From this perspective organisations are constructed and connected to the wider social environment where rules, procedures and norms define how an organisation’s activities are to be carried out in order to achieve its objectives. In this respect, NIS defines that institutions comprise “cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour” (Moll et al., 2006, p. 178). NIS theorists argue that structures, procedures, practices (for example accounting education practices)

are formed by the external institutional factors of their environment (Meyers and Rowan 1977; DiMaggio and Powell 1991; Souitaris et al., 2012; Decramer et al., 2012). These external factors are either taken-for-granted rules or institutional practices supported by public opinion or forced by law, irrespective of whether they would make the organisation more effective (DiMaggio and Powell, 1991). NIS theorists argue that organisations conform to external factors to gain legitimacy¹⁴. Meyer and Rowan (1977) claim that organisations are pressured from external factors within their social and cultural environment to conform to particular norms, rules and structures, in order to achieve legitimacy and secure the resources that are essential to their survival. Scott (1987) state that:

“Organizations do not necessarily conform to a set of institutionalized beliefs because they “constitute reality” or are taken for granted, but often because they are rewarded for doing so through increased legitimacy, resources and survival capabilities.” (p. 498).

Meyer and Rowan (1977) argue that conformity to institutionalised rules and norms often conflicts with the efficiency criteria. In this respect, Friedland and Alford (1991) note that:

“...organizations which adopt the appropriate forms perform well not because they are more efficient, but because these forms are most effective at eliciting resources from other organizations which take them to be legitimate.” (p. 243).

In education research in particular, the NIS also has had an important impact. In this sense, Meyer and Rowan (2006) note:

“...through institutional analysis we learn something about how education connects with other vital institutions in society; what the constraints are under which this important part of our social life takes place; and what the latitude and the limits are that we confront if we attempted to change the existing institutional order.” (p. 4).

¹⁴ According to Suchman (1995) legitimacy is “a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (p. 574). From an institutional perspective, legitimacy reflects consonance with relevant rules and laws, or alignment with cultural cognitive frameworks (Gonzalez and Hassall, 2008). Organisations need more than material resources to survive, they also need acceptability and credibility. Legitimacy implies a symbolic value to be displayed in a manner such that it is visible to outsiders (Scott, 2001).

From this perspective, educational organisations are institutionalised organisations with an important constraint being not efficiency but legitimacy (Meyer and Rowan, 1977; Meyer and Scott, 1983; Meyer and Rowan, 2006). Meyer and Rowan (2006) argue that educational organisations are held together more by shared beliefs, that may be “myths” rather than by technical requirements or a logic of efficiency. Thus, a key constraint for educational organisations is the need to maintain legitimacy by confirming to institutionalised norms, values, and myths. In adopting these institutionalised practices, educational organisations such as universities tend to become isomorphic with their environments, that is, with other formal organisations in their fields (Meyer and Rowan, 1977; Meyer and Rowan, 2006). As undergraduate accounting programmes are embedded in educational organisations (universities or colleges), Gonzalez and Hassall (2008) argue that:

“...new institutionalism can contribute an alternative perspective by analysing and understanding the changes in the design, adoption, implementation and modification of HE [Higher Education] systems in general, and in the accounting education system in particular.” (p.15).

In this thesis the organisational field is Libyan universities, and the related actors within this field are government, Ministry of Higher Education and Scientific Research, university management, and academics. Therefore, NIS can provide a valuable insight into understanding pressures and influences on undergraduate accounting education practices, structures and processes at Libyan universities. For example, the Libyan government and Ministry of Higher Education and Scientific Research are important institutional constituents of Libyan universities because they give legitimacy to universities through their funding and provide universities with resources that assure their survival. As undergraduate accounting education practices are situated within the larger Libyan university system and this makes them susceptible to various endogenous as well as exogenous pressures that shape their structures and processes.

This search for legitimacy and resources explains why particular organisational forms and procedures are disseminated across organisations operating in similar settings or societal sectors (Scott and Meyer, 1992), or organisational fields (DiMaggio and Powell, 1983). Therefore, organisations are guided and driven by external institutional pressures to form structures, procedures and practices similar to other organisations in their environment. In this respect, DiMaggio and Powell (1983) suggest that organisations are subject to significant regulative procedures to which they must conform for legitimacy. Therefore, an organisation's conformity with predominant standards, traditions and social effects in the external environments will result in homogeneity among organisations in structure and practices (Carpenter and Feroz, 2001) and hence DiMaggio and Powell (1983) propose that organisations become increasingly similar. Carpenter and Feroz (2001) describe this process as 'organisational imprinting', while DiMaggio and Powell (1983) argue that the concept that best describes the process of homogeneity in organisational forms and practices is 'isomorphism'.

DiMaggio and Powell (1983) recognise two components of isomorphism, namely; (i) competitive isomorphism¹⁵; and (ii) institutional isomorphism. Competitive isomorphism involves pressures from market forces on organisations towards adopting least-cost, efficient structures and practices arising from organisations competing for political and organisational legitimacy (DiMaggio and Powell, 1983; Moll et al., 2006; Tuttle and Dillard, 2007). Institutional isomorphism, the focus of this study, can be split into three mechanisms: (i) coercive isomorphism; (ii) mimetic isomorphism; and (iii) normative isomorphism (DiMaggio and Powell, 1983; Boland et al, 2008; Dcramer et al., 2012). In this regard, Boland et al. (2008) state that NIS:

¹⁵ This type of isomorphism is not relevant to this thesis as it is associated with fields where open and free market competition exists where buyers and sellers compete for scarce resources, and the primary performance criterion is economic fitness. However, this is not the case in Libyan universities (see DiMaggio and Powell, 1991; Tuttle and Dillard, 2007).

“...focuses on the pressures and processes that shape organizations. Such processes are explained through three types of isomorphism: coercive, normative, and mimetic... organizations are not only pushed to achieve technical efficiency within their operations but also to accept and adopt the rules and expectations of others outside the organization.” (p. 900).

Coercive isomorphism stems from formal and informal political pressures exerted on organisations by other institutions, with whom there is some dependence, and by cultural expectations (DiMaggio and Powell, 1983; Oliver, 1988; Greenwood et al., 2008; Decramer et al., 2012). Mizruchi and Fein (1999) state that:

“Coercive isomorphism is driven by two forces: pressures from other organizations on which a focal organization is dependent and an organization’s pressure to conform to the cultural expectations of the larger society. Coercive isomorphism, at least in the first instance, is thus analogous to formulations of the resource dependence model, in which organizations are viewed as constrained by those on whom they depend for resource.” (p. 657).

Such coercive pressures in many cases are exerted by a state’s law and government policies and regulations (DiMaggio and Powell, 1983; Greenwood et al., 2008; Souitaris et al., 2012; Decramer et al., 2012). Scott (1995) argues that regulative or legal pressures guide organisational actions by coercion or threat of legal sanctions. Townley (1997) notes that:

“The State, in particular, is identified as a force for coercive isomorphism. Using its role in grant or contract provision it may directly impose organizational models or exert more subtle pressures to conform.” (p. 261).

Therefore, public agencies such as universities that are funded by the state are expected to be subject to coercive pressures (Townley, 1997; Levy, 2006; Boland et al., 2008; Gonzalez et al., 2009; de Lange, 2010). In addition, studies examining the effect of politics on universities in other developing countries show that the educational process is (negatively) affected by the intervention of governments on universities’ affairs (Kotecha, 1999; Bjarnason and Lund, 1999; Task Force for Higher Education and Society (TFHES), 2000; Kirby-Harris, 2003; Teferra and Altbach, 2004; Xiaoyang, 2004). Notably, TFHES

(2000) convened by the World Bank and UNESCO on higher education in developing countries, states that:

“The tendency of politicians to intervene in higher education left many institutions hostage to factional policies, with decisions on student selection, faculty appointments and promotions, curriculum design, and similar matters being made on political grounds rather than on merit. In addition, many country leaders undoubtedly saw universities as sources of political danger, with students playing a relatively active political role. Governments may fear students because they know that these young people could, under certain circumstances, overthrow a regime.” (p. 63).

The undergraduate accounting programmes at Libyan universities might be exposed to various coercive influences stemming from the Libya’s historical, social, political, legal and economic environment. These programmes offered at universities are subject to the regulations issued by the Libyan government and this may have a direct impact on accounting education practice in Libya. These influences may include the intervention of the Libyan government on the appointment of key personnel such as Chancellors of university and Deans of faculties which might create tension between university management and academics that may influence the development of the educational process at university including accounting education programmes. In addition, Libyan universities are dependent on funds allocated by the Libyan government which enhances their susceptibility to institutionalised pressures for isomorphism from coercion hence might influence accounting education practices. Such dependency on the state will affect the provision of educational equipment such as lap tops, and computer software within universities which in turn might affect the accounting education teaching adopted by accounting lecturers, particularly those wishing to adopt innovative teaching methods.

Mimetic isomorphism takes place when there is uncertainty in organisation life, whereby organisations attempt to adjust their internal structures and practises to imitate the internal structures and procedures adopted by other organisations (Moll et al., 2006; Levy, 2006;

Souitaris et al., 2012). DiMaggio and Powell (1983) argue that uncertainty is a powerful force that encourages imitation and homogeneity among organisations. They further suggest that when organisational structures and practices are poorly understood, and when the aims of organisations are ambiguous, or when the environment produces symbolic uncertainty, organisations may form structures and practices based on other successful organisations. Palmer et al. (1993) argue that organisations tend to choose among alternative structures or practices that they think will assist them to enhance their chances of survival. They further state that these organisations adopt forms that are considered legitimate by other organisations in their field, regardless of whether these structures or practices are actually efficient. In this respect, an organisation assesses the environment and borrows legitimised practices from other, apparently superior performing organisations in the field. Adaptation is often voluntary and associated with one entity copying the practices of another. Mimetic pressures include benchmarking and the identification of best practice and leading players in the field. DiMaggio and Powell (1983) argue that organisational structures and practices might be diffused unintentionally, indirectly via employee transfer or turnover, or explicitly by institution such as consulting firms or industry trade associations. Further, mimetic isomorphism occurs when the processes become institutionalised within the organisational field so that copying continues to occur as a result of its institutional acceptance, not because of its necessity. Thus, in Libyan accounting undergraduate programmes there may be a tendency to adopt syllabus and structures of accounting undergraduate programmes of other (influential) universities. This might be a result of lack of understanding of designing and teaching of accounting undergraduate programmes among accounting academics in Libya, hence the adoption of another university curriculum becomes a viable option with little expense for Libyan universities. The educational background and place of training of accounting academics may thus play a role in the curriculum.

Normative isomorphism stems mainly from professionalization, whereby organisations adopt the structures and procedures suggested by specific dominant professions, professional bodies and consultants (Moll et al., 2006; Souitaris et al., 2012). There are two aspects of professionalization that are key sources of isomorphism. The first could arise from formal education and legitimacy in the professional knowledge base produced by specialised universities. The second could arise from the growth and development of professional networks that span organisations, which contribute to the diffusion of new structures and practises (DiMaggio and Powell, 1983; Souitaris et al., 2012). Following Perrow (1974), DiMaggio and Powell (1991) state that:

“Such mechanisms create a pool of almost interchangeable individuals who occupy similar positions across a range of organizations and possess a similarity of orientation and disposition that may override variations in tradition and control that might otherwise shape organizational behaviour.” (p. 71).

Universities, professional training organisations and professional and trade associations may be important in developing organisational standards towards professional managers and other staff (DiMaggio and Powell, 1983; Souitaris et al., 2012). Such professional organisations may influence organisations to adopt given practices, for example, universities and local professional accounting bodies may be influenced by international accounting organisations such as IFAC and the IASB to reach certain educational standards.

Moreover, normative isomorphism may be encouraged by the “filtering of personnel” which occurs when organisations within the same field: hire employees from organisations within the same industry; recruit top staff from a narrow range of other firms; adopt common promotion practices; and have the same skill-level requirements for certain jobs (DiMaggio and Powell, 1983). This leads to a homogenisation of practice in different organisations when these practices are carried out by the same professionals (Boland et al.,

2008). For Libyan universities, there has been a tendency to depend on certain countries to train accounting lecturers, who may have then transferred the accounting education practices prevailing in those countries to Libyan universities. Moreover, Zucker (1987) argues that normative isomorphism can be based on the values and professional norms or roles that come from within the organisation itself.

As result of the political situation in Libyan during the last three decades, Libyan accounting departments at universities did not send many students abroad and they depended on their masters programmes to produce lecturers (Ahmad and Gao, 2004; Porter and Yergin, 2006). This might have resulted in the diffusion of similar accounting education practices within accounting departments in Libya because of the influence of older generation lecturers on newer lecturers' abilities to adopt new practices such as other teaching strategies as a competing logic to already embedded organisational logics. This issue is explored in this thesis.

While each type of isomorphism may represent a separate process, they may act simultaneously and yield results where each type is not clearly identifiable. Mizuchi and Fein (1999) note that researchers may attribute a factor to one type of isomorphism but that it could be interpreted as another type. Further, while all three types can, and generally do, operate at any one time, there may be times where one type is more predominant than the others (Tuttle and Dillard 2006; Souitaris et al., 2012; Lepoutre and Valente, 2012). Townley (1997) argues that one type of isomorphism may lead to induce a different type of isomorphism:

“Coercive isomorphism may then be succeeded by mimetic variety as organizations copy established patterns in order to obtain similar rewards. Normative isomorphism may follow as methods of organizing become sanctioned by professionals from ‘successful’ organizations.” (p. 261-262).

A study by de Lange et al. (2010) employ an institutional theory framework to examine the potential influence of Excellence in Research for Australia (ERA) on accounting schools at Australian universities. The findings show that the organisational structures and processes of accounting schools are affected by their external environment. Isomorphism was apparent and influenced accounting school structures, processes and systems. The coercive pressure exerted by the government on universities to adopt ERA resulted in normative and mimetic isomorphism with a sector-wide movement towards targeting publications in highly ranked North American journals and by mimicking their academic peers and peer universities through benchmarking, a reliance on journal rankings and other related activities. The findings also show normative sources of university isomorphism; that is, a tendency for institutions to employ similar strategies to deal with new challenges. This normative source is associated with professionalization and is brought about through senior personnel across a range of organisations viewing issues and problems in a similar fashion.

Similarly, Venter and de Villiers (2013) investigate the isomorphic influence of the South African Institute of Chartered Accountants (SAICA) on the South African accounting academy. They identified four mechanisms of influence: (i) the professional body's accreditation of university accounting programmes; (ii) direct supplementation of academic salaries by SAICA; (iii) the reputational benefits to the academy of its association with SAICA; and (iv) the way the qualifying examination results are used to play universities off against each other. In addition, their findings show that institutional isomorphism developed within the academy resulted in teaching that had become overly technical and not informed by research and that made no reference to theory, principles, or to any social implications.

Within organisational fields, institutions also take on an institutional logic (Friedland and Alford, 1991; Thornton and Ocasio, 2008; Lepoutre and Valente, 2012; Helms et al., 2012; Thornton et al., 2012). Thornton and Ocasio (1999) argue that institutional logics provide the formal and informal assumptions, values, beliefs, interaction, and interpretation that guide and constrain individuals' actions and provide meaning to their social reality. Jackall (2010) refers to an institutional logic as:

“...the complicated, experientially constructed, and thereby contingent set of rules, premiums and sanctions that men and women in particular contexts create and recreate in such a way that their behavior and accompanying perspective are to some extent regularized and predictable. Put succinctly, an institutional logic is the way a particular social world works.” (p. 118).

Lepoutre and Valente (2012) stress that actors (such as accounting lecturers) conform to institutional logics and are motivated to reproduce institutionalised practices by “the governance and reward systems, the physical structure of buildings, relationships, routines, and past contracts and investments” (p. 286).

Thus, rules, norms, and beliefs describe organisational reality and explain what can and cannot be acted upon to actors (Hoffman, 1999) and actors may reflect on the taken-for-granted routines and institutional arrangements (Seo and Creed, 2002). Consequently, institutions have various arrangements and levels of influence and some of these may produce institutional contradictions (Friedland and Alford, 1991; Seo and Creed, 2002; Thornton and Ocasio, 2008; Lepoutre and Valente, 2012). These contradictions may produce dissatisfaction with the status quo. Actors may deviate from the prevailing institutional logics as they become aware of and, have access to, alternative competing logics within an organisational field (Seo and Creed, 2002; Greenwood and Suddaby, 2006; Lepoutre and Valente, 2012). In other words, once institutional contradictions are present, actors may shift from one dominant logic to another (Greenwood and Hinings, 1988; Ansari et al., 2010; Fiss and Zajac, 2006).

Different institutional logics may coexist and be interconnected simultaneously, but any logic may be dominant at any given time (Hirsch, 1997; Seo and Creed, 2002). According to Lepoutre and Valente (2012) contradictions arise when:

“...multiple institutional logics with conflicting expectations exist in an institutional field, when the institutional expectations conflict with an actor’s interests in efficiency or long-term adaptability to exogenous changes, or when an institutional logic conflicts with an actor’s personal values and objectives.” (p. 287).

Thus, there are ties between institutions and their larger societal context (Seo and Creed, 2002). Social interactions occur in many different locations and within many actor networks. Thus, conformity to certain institutional arrangements may be inconsistent with the institutional arrangements of these different actor networks (Seo and Creed, 2002). Meyer and Rowan (1977) suggest that organisations are embedded in pluralistic institutional environments and hence organisations incorporate all sorts of possibly incompatible structural elements, practices, and procedures in their search for legitimacy and stability. Seo and Creed (2002) suggest that contradiction occurs also when isomorphism conflicts with divergent interests of actors as:

“...the fundamental misalignment between a particular form of social arrangement and the interests of diverse actors who enact, inhabit, and reproduce that social arrangement. Specifically, proponents view those actors whose ideas and interests are not adequately served by the existing social arrangements as potential change agents who, in some circumstances, become conscious of the institutional conditions that leave their needs unmet and take action to change the present order.” (p. 229).

Actions of accounting academics in Libyan universities may be informed by different institutional logics (Townley, 1997). Among these logics are the internalised professional norms of accounting academics which may conflict with external pressures imposed by the Libyan institutional environments. Thus, there may be resistance to the introduction of new organisational practise by an external constituent such as the government on the internal academic affairs of universities. For Libyan universities, the institutional logic of the

academy might compete against the government's intervention in university's affairs such as by appointing key personnel, and this may then affect accounting education practices at those universities. The imposition and lack of consultation with academics on governance issues of their university could lead to a lack of support for individuals appointed as chancellors or deans, leading to a lack of cooperation and commitment from academics. In addition, the lack of funding may motivate accounting academics to deviate to alternative logic within their organisational field. Thus, this could result in accounting education decoupling from practice. This thesis examines whether this is the case.

4.4 Summary

This chapter presents institutional theory that is employed as the theoretical framework in this thesis. This chapter has outlined an overview of institutional theory and its main branches, specifically, the institutional pressures that influence organisations and their practices. The theoretical framework suggests that organisations and practices (such as accounting education practices) are affected by external pressures stemming from the organisational field that shapes their characteristics. Institutional influences are manifested in three ways coercive, mimetic and normative isomorphism, which can shape the structure and practices of organisations. These pressures may coexist simultaneously but one type may be predominant at any one time. In addition, institutions take on logics from their organisational field that guide the actions of actors which may compete and contradict external pressures.

This research adopts institutional theory to explore the types of institutional pressures that affect current accounting education practices in a Libyan university. This is accomplished by investigating perceptions of Libyan accounting academics on the factors that influence

their everyday practice, related documents, accounting textbooks and observing the educational process and facilities such as buildings, classes, offices and libraries.

Chapters 2, 3 and 4 have explained the Libyan context, the literature review and theoretical underpinning of this thesis. From these chapters, it is clear that there is little literature on accounting education in Libya and there are various factors influencing accounting education practices. The research questions therefore use an NIS perspective to look at the accounting education practices at Libyan universities to attempt to tease out these factors, for example, the funding dependency of Libyan universities on Libyan government. The second research question also explores the dominant logic of accounting education practice in Libyan universities. These are first investigated through a case study of the undergraduate accounting programme at the University of Benghazi that includes interviewing academics, collecting relevant documents and observing university general conditions. Second, having established an understanding of accounting education and the actual practice of accounting education and factors or pressures affecting them at UB, the lack of textbooks and referencing material is then examined as one of the factors that adversely influence accounting education practice at UB. Thus, the theoretical framework in this thesis is used to provide an understanding of Libyan accounting educators' logics and accounting education practice.

Chapter 5: Research Methodology and Methods

Chapter 5

Research Methodology and Methods

5.1 Introduction

The previous chapter presents institutional theory as the theoretical framework that is used to interpret the findings of the empirical work of this thesis. This chapter outlines the research methodology and methods employed to carry out the empirical work of this study in order to accomplish its objectives. In addition the chapter discusses the alternative of the methodological frameworks in the literature; and justifies the selection of the research paradigm, methodology; and methods used in this study. The chapter is outlined as follows: Section 5.2 discusses the main philosophical assumptions about the nature of social science and structure of society and the research paradigms. Section 5.3 outlines the methodology and research paradigm. Section 5.4 presents the research methods that adopted in this study. Section 5.5 concludes the chapter.

5.2 Research Philosophy and Methodology

Research is a process of investigation to find out the reality of something. Thus, it is a significant component and central to business and academic activities. However, the definition of research is varied in the literature, as Collis and Hussey (2009) note that “research means different things to different people” (p.1). The Oxford English dictionary (2013) defined research as:

“The systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions.”

However, many scholars in the field of research methodology advocate that the research is much more than this rather dry definition, as they believe that the research philosophy and the research paradigm that the researcher adopts is essential to the process of carrying out the research. The research process is influenced by the views that the researcher holds

about the nature of social science and the development of knowledge. As Burrell and Morgan (1979) state:

“Social scientists approach their subject via explicit and implicit assumptions about the nature of social world and the way in which it may be investigated.”
(p. xx).

Gill and Johnson (2010) in a similar vein assert that decisions on methodological matters are influenced by philosophical assumptions researchers implicitly and explicitly make. Burrell and Morgan (1979) assume that there are different philosophical assumptions which have direct implications for adopting a particular research methodology and affecting the process of the selection of a suitable research paradigm. These philosophical assumptions are interrelated views about reality (ontology), the way in which knowledge about the subject can be obtained (epistemology), as well as “associated but conceptually separate” human nature assumptions. These assumptions in turn affect the research process of examining, collecting, analysing and interpreting the results (methodology).

Easterby-Smith et al. (2002) review the different views about research philosophy and name at least three reasons why an understanding of the philosophical assumptions is very valuable to the researchers. First, it can assist the researcher to clarify issues related to the research design such as considering what type of evidence is required, and needs to be gathered, and how such evidence is interpreted in order to answer the research question. Second, knowledge of philosophy can help researchers to recognise the appropriate approach to accomplish the research objectives. Third, such knowledge can assist researchers to identify and/or create a research design that may be new to their substantive field.

5.2.1 The Main Research Philosophies

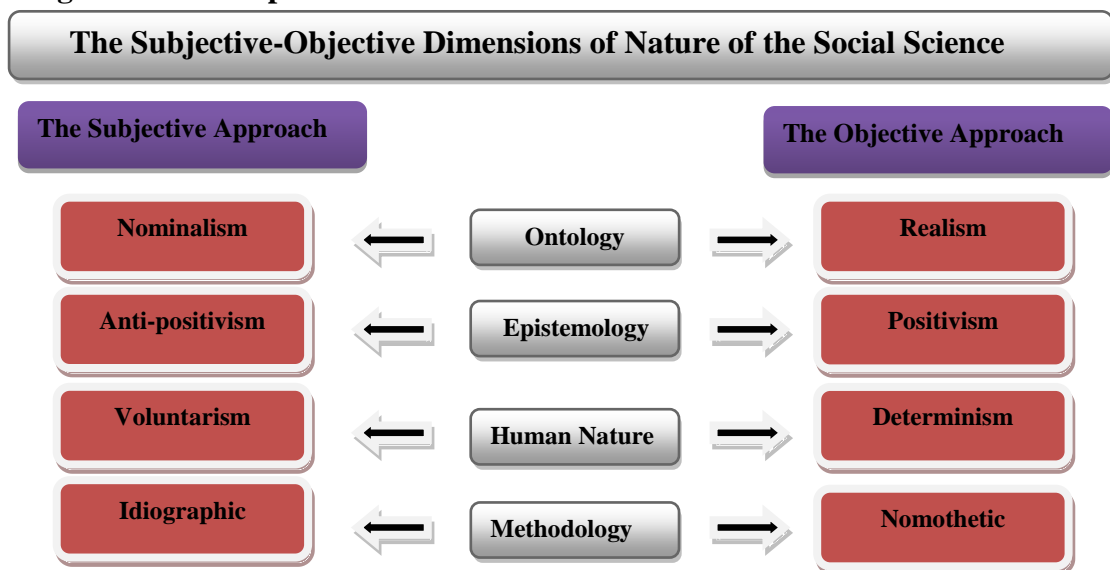
It is assumed that an explanation of the main approaches of research philosophies in social science can be useful before starting the discussion of the assumptions about nature of the social science and the nature of society. In general, there are various philosophical schools of thoughts that propose different philosophical positions which underlying research methods and designs. According to Easterby-Smith et al. (2002) they can be classified into two main traditions or approaches: positivism (objectivism) and social constructionism (subjectivism). Objectivism holds that the reality is external in itself (Thietart, 2001). The central assumption of objectivism is that the social world exists externally, and that its characteristics should be measured through objective methods, rather than being inferred subjectively through sensation, reflection or feeling (Easterby-Smith et al., 2002). Easterby-Smith et al. (2002) add that this involves two assumptions. First, an ontological assumption, that reality is external and objective; second, an epistemological assumption that knowledge is only scientific if it is based on observations of this external reality.

On the contrary, the subjectivist approach holds that the reality is not objective and exterior, but is socially constructed and has subjective consciousness. It views that reality is determined by social actors through their thoughts and actions rather than objective and external factors (Easterby-Smith et al., 2002; Thietart, 2001). Collis and Hussey (2009) explain that the subjectivist approach focuses on meaning and is concerned with understanding human behaviour involved in the social phenomenon from the participant's own frame of reference. Therefore, the research should not focus on gathering facts and measure how often certain patterns occur, but appreciate how different constructions and meaning that social actors, individually and collectively, are thinking and feeling about the phenomenon under investigation.

5.2.2 Assumptions about the Nature of Social Science

Based on the subjectivism and objectivism approaches to social science, Burrell and Morgan (1979) developed a framework that involves the two philosophies of research. They assume, based on a subjectivist and objectivist orientation to social science, that there is a distinct hierarchy of philosophical assumptions related to the nature of social science: (i) ontology; (ii) epistemology; (iii) human nature; and (iv) methodology. These assumptions, which are shown in Figure 5.1, have direct implications for the research methodology employed, as well as the way in which investigations are conducted and how knowledge about the social world is attained. An explanation of these assumptions is provided below.

Figure 5.1 Assumptions about the Nature of Social Science



Source: Burrell and Morgan (1979, p. 3).

Note: this figure shows Burrell and Morgan (1979) scheme analysing the assumptions about the nature of social research.

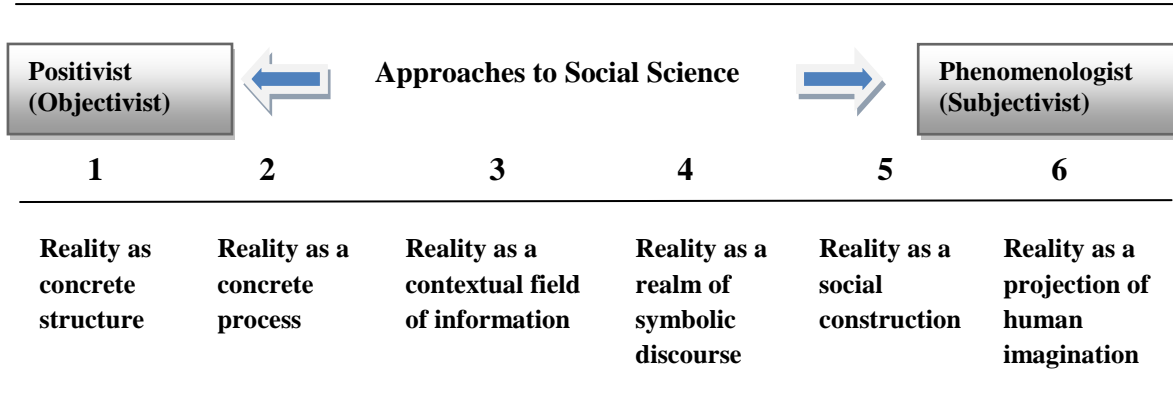
The notion of ontology is concerned with how individuals view the world or how individuals see the nature of the research area that is to be investigated. In other words, ontology is used to define the belief set of the individual as this may affect the nature of research. Crotty (1998) defines ontology as the study of the nature of reality or being and it

is concerned with understanding ‘what is’, with the nature of existence, and the structure of reality as such. Burrell and Morgan (1979) believe that the ontological debate is about the question of whether reality is given ‘out there’ in the world, or the product of one’s mind. Objectivists, who are recognised as realists, consider reality as objective in nature and external to individual consciousness. In contrast, subjectivists, who are recognised also as nominalists, assume that social reality is relative and that the world has no structure. The social reality is considered to be a product of an individual’s consciousness and is not external to the individual.

Burrell and Morgan (1979) articulate that nominalists consider reality as derived from an individual’s thoughts and conscious mental processes, thus the social world “is made up of nothing more than names, concepts and labels which are used to structure reality” (p.4). Realists, alternatively, claim that the social world is external to individual cognition and it is consisted of hard, tangible and relatively immutable structures, which exist regardless of how they are labelled or perceived.

Collis and Hussey (2009) argue that while the objectivist and subjectivist views represent two extremes assumptions, very few researchers operate within these pure forms. There are a number of alternative assumptions, most of which underline the fact that there are not just two assumptions but a whole range. Morgan and Smircich (1980) identify a continuum of these assumptions with six identifiable stages, which are shown in Figure 5.2.

Figure 5.2 Continuum of Core Ontological Assumptions



Source: Adopted from Morgan and Smircich (1980)

Note: this figure shows the core ontological assumptions that researchers operate in.

Starting at the left hand side, category 1 represents an extreme objectivist viewpoint of the world, while category 6 reflects an extreme subjectivist viewpoint of the world. As one moves from category 1 to 6 assumptions about the concreteness of the world become more relaxed (Morgan and Smircich, 1980). However, Lye et al. (2006) condemn Morgan and Smircich's continuum on the basis that it is not realistic to represent the relation between subjective and objective world views in terms of a continuum as they believe that there is no world view can be purely subjective or purely objective.

According to Dobson (2002) the ontological assumptions adopted by a researcher largely defines the choice of different epistemological approaches and particular methodologies and methods, which in turn will influence the type of research problems, the analysis and the hypotheses which are tested.

Closely coupled with ontological assumptions and its consideration of what constitutes reality, epistemology considers views about the most appropriate way of enquiring into the nature of world and what is knowledge and what are the sources and limits of knowledge (Easterby-Smith et al., 2002; Eriksson and Kovalainen, 2008). According to Burrell and Morgan (1979) this can be interpreted in the field of social research as the "issue of

whether knowledge is something which can be acquired on the one hand, or is something which has to be personally experienced on the other” (p. 2).

The two approaches to epistemology are termed “positivism” and “anti-positivism” (Burrell and Morgan, 1979). Positivists assume that knowledge exists independently of any consciousness, and only be based on empirical observations of social reality. They believe that what happens in the social world can be explained and predicted through the search for regularities and causal relationships between its constituent elements and the use of methods such as experiments. The anti-positivists reject the notion that social science can create objective knowledge of any kind, but rather suggest that knowledge is subjectively imposed (Burrell and Morgan, 1979; Crotty, 1998). To anti-positivists, the social world is relative and can only be understood from the perspective of those directly involved in the activities being researched.

Assumptions of human nature are concerned with relationships between human beings and their environment (Burrell and Morgan, 1979). The two main perspectives underpinning this concept are determinism and voluntarism. The determinist perspective is based on considering human beings and their activities as products of their environment and the situation in which they are located. It assumes that researchers are detached from the phenomenon that they are investigating and view the focus of their research as objects. The voluntarism perspective, on the other hand, assumes that the human beings are completely autonomous and free-willed and thus govern their own actions and are responsible for them (Burrell and Morgan, 1979). Based on the voluntarism perspective, the researchers are involved with which is being studied (Collis and Hussey, 2009). Researchers adopt assumptions about ontology and epistemology and in conjunction with the views on human nature it consequently affects the choice of methodology.

The methodology is concerned with the principles and procedures of inquiry in a particular discipline. Crroty (1998) identifies methodology as:

“The strategy plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcome.” (p. 3).

The two approaches to methodology that underpin the methods used to collect data and are termed “nomothetic” and “ideographic”.

From the nomothetic viewpoint, the social world is seen as being similar to the physical or natural world. Therefore, it focuses on the formulation of scientific tests and the use of statistical techniques in order to test hypotheses and analyse data gathered through the use of quantitative research techniques, such as questionnaire surveys (Burrell and Morgan, 1979). In contrast, from the ideographic viewpoint, the understanding of the social world can only be accomplished by gaining first-hand knowledge of the phenomena under investigation. Such an approach stresses that the analysis should get inside the situation and learns the complexities of a particular issue being investigated; information should be gathered through qualitative methods such as interviews and case studies (Burrell and Morgan, 1979).

5.2.3 Assumptions about the Structure of Society

Burrell and Morgan (1979) outline two alternative approaches that are adopted in research regarding assumptions about the nature of society. They classify the way in which the researcher views the world under two approaches or theories; the order or conflict view of the world. The order or “integrationist” view of society stresses stability, integration, functional co-ordination and consensus. Researchers who adopt this view are interested in explaining the consequences of the activities of organisations. They assume that social structures depend largely on a logical process and human actions do not affect society.

Meanwhile, the conflict or “coercion” view of society stresses change, conflict, disintegration and coercion. Researchers who adopt this view of society consider that the structure of society is a result of the consequences of conflicts between individuals and the control of specific groups within society (Burrell and Morgan, 1979).

Nevertheless, Burrell and Morgan (1979) argue that there is a misinterpretation of the distinction between the order approach and conflict approach to view society. They, therefore, suggest that the order-conflict schema should be replaced by “regulation” and “radical change”. Burrell and Morgan (1979) introduce the term “sociology of regulation” to refer to philosophers who are fundamentally concerned with providing explanations of society in terms of underlying unity and cohesiveness. On the other hand, they introduce the term “sociology of radical change” which is concerned with explanations for radical change and deep-seated structural contradictions which its theories see as dominating the modern world.

5.2.4 Burrell and Morgan’s Research Paradigm

A research paradigm provides a conceptual framework for viewing and making sense of the social world (Burrell and Morgan, 1979). Kuhn (1970) notes that “something like a paradigm is a prerequisite to perception itself” (p. viii). According to Burrell and Morgan (1979) “To be located in a particular paradigm is to view the world in a particular way” (p. 24). Creswell (1998) define the term “paradigm” as:

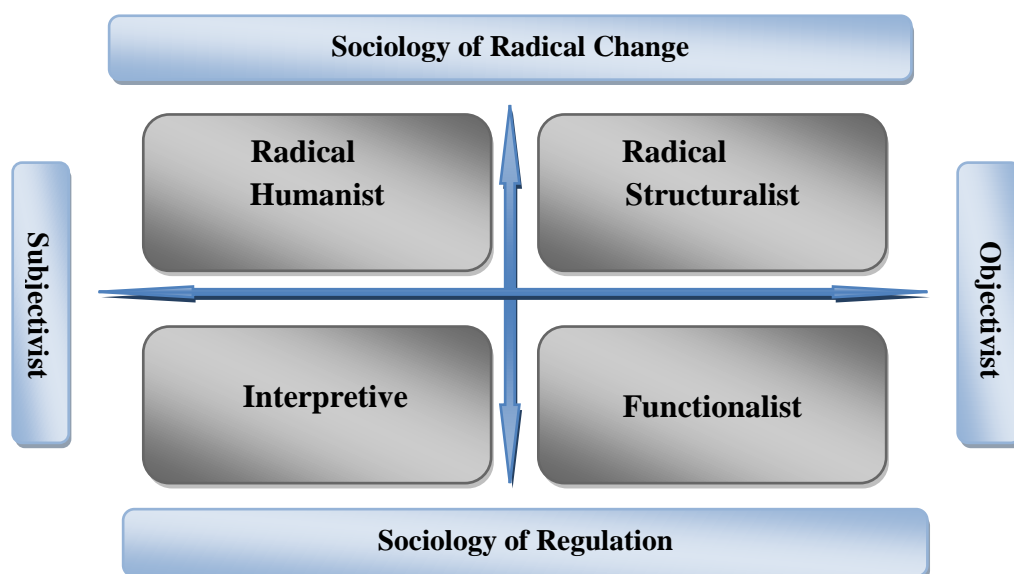
“...a basic set of beliefs or assumptions that guide their inquiries. These assumptions are related to the nature of reality, the relationship of the researcher to that being researched, the role of values in a study and the process of research” (p. 74).

A paradigm is important because it indicates how humans perceive the world and they are influenced by the environment including the community of practice. It can also help

researchers to reduce the uncertainties in the way that the research is designed, how the data is gathered and presented and the way the research findings are presented (Burrell and Morgan, 1979).

Burrell and Morgan (1979) combined the subjective-objective dimension, which represents the assumptions about the nature of social science outlined in Section 5.2.2, with the regulation-radical change dimension, which represents the assumptions about the structure of society outlined in section 5.2.3, to generate a four dimensional research paradigm, reproduced here in Figure 5.3. These two sets of assumptions produce four mutually exclusive paradigms offering four alternative views of social reality, namely: functionalist; interpretive; radical structuralist; and radical humanist.

Figure 5.3 Burrell and Morgan's Social Research Paradigm



Source: Burrell and Morgan (1979, p. 22).

The functionalist paradigm is driven from the combination of the objectivist and regulation dimensions. This paradigm is concerned with providing explanations of the status quo and social order from realist, positivist, determinist and nomothetic standpoints. The functionalist paradigm adopts a regulatory perspective and attempts to provide rational

explanations of human nature and generalise the findings. Burrell and Morgan (1979) state that:

“The functionalist approach to social science tends to assume that social world is composed of relatively concrete empirical artefacts and relationships which can be identified, studied and measured through approaches derived from natural sciences.” (p. 26).

The interpretive paradigm arises from a combination of the subjectivist and regulatory dimensions. It is underpinned by nominalist, anti-positivist, voluntarist and ideographic standpoints. Similar to the functionalist paradigm, the interpretive paradigm is underpinned by societal assumptions based on the sociology of regulation. According to Burrell and Morgan (1979) the interpretive paradigm is:

“...informed by a concern to understand the world as it is, to understand the fundamental nature of the social world at the level of subjective experience.” (p. 28).

Interpretive researchers assume that to obtain a profound understanding of the social world, they must obtain first-hand knowledge from the subject that they are studying (Dhillon and Backhouse, 2001). In addition they not only interpret their own social roles in accordance with the meaning that they give to these roles, but also interpret the social roles of others in accordance with their own set of meanings (Saunders et al., 2009).

Interpretive researchers adopt a wide range of philosophical thoughts including phenomenology, hermeneutics and critical social theory in the construction of their research methods. These thoughts share the common attributes of endeavouring to understand and explain the social world from the viewpoint of the actors that are directly involved in the social process (Burrell and Morgan, 1979).

The radical structuralist paradigm reflects the combination of the objectivist and radical change dimensions. Structuralist researchers hold an objective view of the social world,

which is underpinned by realist, positivist, determinist and nomothetic standpoints. They often embrace the ideology of Marxism which considers that society is made up of a structure whose members often have diametrically opposing interests and the pursuit of these interests often results in conflicts. Such conflicts could create change through political and economic responses to crises (Burrell and Morgan, 1979).

Combining the subjective and radical change dimensions together reflects the radical human paradigm. This paradigm is concerned with how people create and maintain a mode of social organisation in which they live, and how they try to change it. Radical humanists view the world from a subjective perspective and seek to change societal aspects by removing human beings' constraints. Radical humanist researchers observe the social world from a nominalist, anti-positivist, voluntarist and ideographic standpoint.

According to Burrell and Morgan (1979) these four alternative paradigms, outlined above, are mutually exclusive views of the social world based on various assumptions about nature of society and structure of social world. They argue that social-scientific reality depends on which paradigm is used. Thus, the results view the social world in a specific way and a specific paradigm and a researcher cannot operate in more than one paradigm at any given point of time, although they can operate on different paradigms sequentially over time.

5.2.5 Alternative to Burrell and Morgan's Framework

Whilst Burrell and Morgan's framework is widely regarded as strong and dominant in social research, this framework has some criticism and limitations. Researchers such as Chua (1986) and Laughlin (1995) disagree with the Burrell and Morgan framework advocating that the researcher cannot operate in more than one paradigm at one time as the

paradigms are mutually exclusive. Chua (1986) disagrees that all beliefs of social science have strict dichotomies, which means a researcher either considers that individuals are determined by their societal environment or they are completely autonomous and free-willed. This view is consistent with Bhasker (1998) who believes that societies and individuals are constantly changing and are transformed by human actions which do not often operate at the extremes.

Chua (1986) also points out that Burrell and Morgan's framework adopts a strongly relativistic belief of scientific truth and reason. She further argues that the choice and the evaluation of paradigms could not be justified on rational scientific grounds and that Burrell and Morgan misread and misrepresented Kuhn who advocated that traditional notions of what constituted rational scientific choice were inadequate.

Chua (1986) further developed a framework which classified the philosophical assumptions underpinning accounting research. She offered three sets of beliefs that help to define a means of viewing and researching the social world. The first set of beliefs was concerned with the conception of knowledge and was divided into two related sets of epistemological and methodological assumptions. Chua described that epistemological assumptions establish the specific criteria and process of assessing the truth. Consequently, methodology is to ensure that research methods selected are suitable. The second set of beliefs concern ontology, human purpose and societal relations. These assumptions concentrate on the object of study and how people relate to society. The third set of beliefs was made about the relationship between knowledge and the empirical world. These assumptions focus around the main research objective and justify what societal benefits the research advocates. Chua (1986) highlighted that the main difference between her classification and Burrell and Morgan's framework was that the latter was non-evaluatory

while her classification was intended to be used to evaluate the strength and weakness of different perspectives in accounting. Further, she claims that the classification is simply attempting to identify current perspectives that were appearing.

Laughlin (1995) presents an alternative framework that proposes a ‘middle-range’ approach to empirical research. This mid-point position involves three dimensions. First, is the theory dimension, which is concerned with the assumptions about ontology and epistemology, and it refers to how much prior theorising is done before undertaking any investigation. Second, is the methodology dimension, which is related to the methodological choices and human nature assumptions. Third, is the change dimension, which focuses around the research objectives to achieve change in the phenomena being investigated.

Laughlin (1995) believes that this mid-point position is a more realistic representation of social science research. He recognises this implies the possibility that there is openness to change as well as the maintenance of the status quo. This is in agreement with Chua (1986) who believes that social reality is subjectively created and objectively real. Thus, Chua and Laughlin proposed that research could be conducted using more than one paradigm at the same time and complementally.

5.3 Research Paradigm and Methodology

In this thesis, the research objective is to provide a general understanding of the different factors that influence and shape undergraduate accounting education practice in Libya based on the analysis of documents and accounting textbooks and the perceptions of academics and their evaluation of this practice. The empirical phenomenon of this thesis is undergraduate accounting education practiced in Libya. This thesis explores the perceived

practice of accounting education adopted by Libyan universities and then examines whether there are any external factors that affect this practice. The researcher does not assume that there is a concrete reality out there in the social world to be explored and recognises that the reality of the phenomenon investigated is a product of social constructions such as language, consciousness, shared meanings, documents and other artefacts (Klein and Myers, 1999) and thus can only be subjectively created. Hence, the researcher considers himself as participant observer that recognises the meanings of actions as they are communicated through observation, gathering documents and textbooks and face-to-face semi-structured interviews with actors (accounting academics) within a social and cultural context that accounting education practices occur in (Creswell, 1998; Saunders et al., 2009). The researcher assumes that accounting academics are important actors in creating reality, but also documents and textbooks help create this reality; via their content and format and perhaps the product of that same reality (Ferguson, 2002). Thus, this study is based on the ontology of nominalism.

The researcher assumes that knowledge about the social world comes mainly from individuals who are involved in the specific phenomenon that being investigated. Knowledge is not viewed as only being attained via the search for causal relationships between constituent elements of the social world to predict what occurs in social world and establishing a law-like generalisation. The importance of the researcher as an observer in the process of understanding is seen as significant, given that the researcher has to attempt some level of understanding from the perspective of the individuals being studied. This orientation supports an anti-positivism position. Knowledge of this study is empirically derived from different types of sources including: (i) the perspective of individual academics involved in accounting education practices; (ii) observation of educational

process and facilities of Libyan university; (iii) documents related to the accounting education programmes; and (iv) accounting textbooks.

With regard to human nature assumptions, the researcher assumes that human beings may not be completely influenced and determined by their environment, but simultaneously are not completely free-willed and autonomous. Participants of this research are seen as having a part to play in the construction of the reality with the researcher, allowing a diverse, complex and unique context in which research is grounded to be acknowledged and explored. This leads the researcher to be in a mid-point between voluntarism and determinism in his core assumptions about human nature. In adopting this intermediate perspective, this study recognises that institutional contexts exert influences upon accounting academics; however they still have some degree of free will.

The researcher's assumptions concerning the nature of society, accepts that society appears orderly, but at the same time believes that there is the potential for some long-term conflict given its underlying construction. The researcher accepts the possibility of change with respect to accounting education at Libyan universities, but the status quo is needed primarily to be investigated in order to identify where such change, if necessary, should be concentrated.

The selection of the research methodology is directly dependent on the researcher's philosophy assumptions of the research paradigm adopted by the researcher. This study is exploratory in its nature, and does not set up detailed hypotheses to be tested. Its main objective is to provide an account of undergraduate accounting education practice in Libya based on the perspective of accounting academics, document analysis and textbooks analysis. The philosophical assumptions, outlined above, imply that this study tends

towards the use of ideographic methodology, which is based on the perspective that individuals can only understand social world by obtaining first-hand experience of the subject being investigated.

The combination of a nominalist ontology, an anti-positivist epistemology and an intermediate position upon the human nature assumption, and the ideographic methodology position the researcher within the interpretive paradigm. Therefore, the researcher attempts to understand the way the research subjects construe, conceptualise and understand undergraduate accounting education events, concepts and categories.

5.4 Research Methods

This study investigates undergraduate accounting education in Libya with a predominantly qualitative interpretive strategy. To meet this aim the current study employs two research methods, namely a case study that includes interviews, documents analysis and observation and a review of textbooks that includes interviews and content analysis.

5.4.1 Case Study

The first research method employed in this study is a case study. Hammersley and Gomm (2000) refer to case study as "...research that investigates a few cases, often just one, in considerable depth" (p. 3). Therefore, a case study usually implies research confined to a single unit of analysis, which might be a single department, company, industry or even country (Smith, 2006; Bell, 2010). According to Yin (2009) case studies can be appropriate in circumstances where it is hard to separate the phenomenon under research from its context. Yin (2009) defines a case study as:

"...an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between a phenomenon and its context are not clearly evident." (p. 18).

However, Woodside (2010) argues that case study research is not limited to contemporary phenomenon or real-life contexts, as it can also investigate historical events. Based on that he defines a case study as “...an inquiry that focuses on describing, understanding, predicting, and/or controlling the individual (i.e., process, animal, person, household, organization, group, industry, culture, or nationality)” (p. 16).

The use of various sources of evidence is a fundamental characteristic of case study research (Bell, 2010). Case studies can involve collecting data from different sources including some or all of the documentary evidence, interview data, direct observation, participant observation and survey. The researcher who uses a case study aims to re-tell the story using a mixture of evidences that collected through different research methods such as interviews, observation and documents (Yin, 2009; Bell, 2010). In this study a case study is employed using all these aspects to determine the institutional influences over undergraduate accounting education in Libya.

Similar to other research methods the use of a case study has both advantages and disadvantages. Critics claim that the results generated by the case study method are not generalisable to a population, and its focus on a particular case in a given situation is so unique that it represents a one-off context. Others argue that case studies are only appropriate for the exploratory stage of an investigation, that surveys and histories are appropriate for the descriptive stage, and that experiments are the only approach of conducting explanatory or causal inquiries. Case study research is also criticised for the lack of rigour. An example of this is case studies where the researcher allows equivocal evidence and biased views to influence the direction of the results and conclusions. An additional, criticism to case studies is that they are often too long, hard to conduct and generate large amounts of documentation (Yin, 2009).

However, there are a number of advantages of case study research. The use of the case study method allows the researcher to gain a deep understanding of the phenomena investigated as the data is often conducted within the context of its use, that is, within the situation in which the activity takes place. Case studies also are not limited to qualitative data but can also include quantitative data. However, researchers should not confuse case studies with qualitative research, as Yin (2009) notes that “case studies can be based ... entirely on quantitative evidence” (p. 25). Yin (2009) also claims that case studies can produce detailed qualitative accounts which not only help to explore or describe the data in the real life environment, but also help to explain complexities of real life situations which may not be noticed through experimental research.

The use of the case study method has become extremely popular across various disciplines. Social scientists, in particular, have made use of this qualitative research method to examine contemporary real-life situations and provide the basis for the application of ideas and extension of methods (Hammersley and Gomm, 2000; Adams et al., 2006). In this thesis the accounting undergraduate programme in the Faculty of Economics at University of Benghazi is the focus as it was the first university to teach accounting at the higher education level in Libya and was the only one until 1985. The accounting department at UB has thus played a central role in the development of accounting and accounting education in Libya.

To obtain empirical data, first the researcher travelled from his town of Tripoli and spent some time at UB in its main campus in Benghazi city in eastern Libya. The researcher regularly visited UB during his stay and observed the general condition of the facilities and buildings as well as visiting the library of UB and attending the lectures of some accounting courses to observe and gain knowledge about the educational process. Second,

the researcher conducted interviews with accounting lecturers from the Accounting Department at UB. Third, documents relevant to the programme were collected during the course of the study, including the handbook of the syllabi of the Faculty of Economics and the description of the courses of the accounting undergraduate programme.

It is important to mention that the researcher went to UB in the second week of January 2011 and, as the first semester at UB ends in the first week of February, the researcher spent two weeks in the university observing the general conditions of UB and attending some lectures as well as conducting interviews with lecturers and then planning to come back at the start of the second semester, in the last week of February 2011, to conduct more interviews with lecturers and start conducting interviews with students as well. However, on the 17th February 2011 the revolution against the Gaddafi regime started in Libya, which led to armed conflict that lasted about 7 months and this led to the inability of the researcher to go back to UB to conduct more interviews as UB was closed down, all lectures were stopped and the security situation became very dangerous, even to go to Benghazi and conduct interviews with lecturers. The researcher only just managed to get out of Libya, and therefore, the researcher had to change his plan and go back to the UK, which was also very difficult given the dangerous security situation in Libya at that time. Moreover, the armed conflict in Libya also negatively influenced the researcher's ability to study as he was worrying about the security of his family back in Libya given the brutality of Gaddafi's regime towards Libyans that led to the killing of many civilians as well as worrying about Libya's future as a country.

5.4.1.1 Interviews

As a part of the case study a number of interviews were conducted. Interviewing is a method aimed at collecting data through asking participants a series of questions that are

relevant to the researcher's topic. They normally involve face-to-face conversations between two people or more, the interviewer (the researcher) and an interviewee (the participant). However, in some cases interviews can be conducted by phone or through online internet services such as Skype. Participants can say anything they wish, and elements of their conversation have a certain value because they refer directly or indirectly to analytical elements of the research questions, which provide in-depth information about the research topic (Saunders et al., 2009). Interviews also allow the researcher to encourage participants to relate, in their own terms, their experiences and attitudes that are relevant to the research questions being investigated. According to Easterby-Smith et al. (2002) interviews are adequate methods when it is essential to: (i) 'understand' the underpinning constructs of the interviewees' 'opinions and beliefs' regarding a specific issue or circumstance; and (ii) 'develop' an understanding of 'world' of interviewees hence the researcher might influence it, either autonomously, or cooperatively as in the case of action research.

The interview has been deemed the most fundamental of all methods used in qualitative research (Easterby-Smith et al., 2002). For case study research, the interview is considered the most important source of information (Yin, 2009). Interviews also can be combined with other research methods in a multi-methods design which may integrate, for instance, questionnaire or observation. Interviews can be classified into three types, namely; structured interviews, semi-structured interviews and unstructured interviews.

In the structured interview, the same closed questions, in the same order, are used for each interviewee. This format resembles the self-completion questionnaire, where it does not allow the researcher to divert from the list and avoids asking extra questions (Smith, 2006). However, the researcher is able to clarify ambiguous statements and comments. The use of

structured interviews can facilitate the coding of answers for subsequent analysis; eliminate the chance for error associated with open questions; and the chance of missed questions where order differences are permitted. Nevertheless, the structured interview does not allow the flexibility and richness of response offered by open-ended questions (Smith, 2006). In contrast, unstructured interviews commence with a series of topics for discussion, rather than specific questions to be asked. The questions are adjusted during the interview according how the interviewee responds. The success of obtaining information in this type of interview depends on the degree of interaction between the interviewer and the interviewee (Saunders et al., 2009). As a result, the unstructured interview requires more skills and expertise from the interviewer to follow the discussion on the research topic. The main disadvantage of this type of interview is that it can be time consuming to carry out and data analysis is much more difficult.

Semi-structured interviews allow a series of questions to be asked to the interviewees, but in no fixed order. This type of interview benefits from the advantages of both structured and unstructured interviews. It allows the researcher to have a predetermined list of issues to be addressed and questions to be answered. However, flexibility is assured as additional questions may also be asked, allowing the interviewer to probe the interviewee to examine issues that arise in the course of the interview (Mason, 2002; Silverman, 2006).

Semi-structured interviews offer the best method to collect in-depth data about the beliefs and attitudes of relevant individuals about the phenomena investigated (May, 2011; Saunders et al., 2006). Moll et al. (2006) argue that for case study research semi-structured interviews may be more relevant if the intended purpose of the research is to understand the meaning that interviewees link to issues and situations. Nevertheless, similarly to all research methods interviews have some limitations. Interviewing is time consuming and

expensive to undertake and analyse (May, 2011; Abbott and Mckinney, 2013). This can be experienced when the interviewers are scattered over a wide area. Interviewing can be obstructed by the difficulty of obtaining access to the appropriate interviewees. Interviews can also be affected by the interviewer and the context which can sometimes make the consistency and objectivity of findings difficult. This has a negative impact on reliability. Interviewers may sometimes not be truthful and might say what they think they are supposed to say rather than what they actually do (Abbott and Mckinney, 2013). However, the researcher attempted in this study to avoid as many of the limitations detailed in this section as much as possible.

For this study the semi-structured interview approach was selected as part of the case study to ascertain the perspectives of accounting lecturers working at the Accounting Department at UB to ascertain their perspectives on the accounting undergraduate programme syllabus, teaching methods and assessment methods as well as the factors that influence them.

In an attempt to capture the most important issues that related to accounting education in Libya, the topics and questions in the interviews were mainly extracted from different literature sources, namely: (i) the literature on accounting education in general; (ii) IES 2, 3, 4 components; (iii) the literature on accounting education in developing countries; and (iv) the literature on Libyan historical, social and political context. The interviews were semi-structured and enabled an opportunity for the interviewee to lead the conversation and not feel constrained by the line of questions. It was expected that more useful information would result from an informal pattern of questions.

The interview questions must be prepared, piloted and refined to enhance their validity (May, 2011). Therefore, the interview schedule was piloted on accounting and finance PhD

students and staff of the Business School at the University of Dundee to gain their comments on the questions and to find out whether there were any important issues which needed to be included in the interviews. After that the researcher sought the permission of the Accounting Department at UB to conduct the research in the department, which was gained in the month of December 2010. After gaining permission to conduct the research, the researcher then went to the Accounting Department and introduced himself to the head of the department and interviewed him first; he later introduced the researcher to the other lecturers in the department. The researcher then started to regularly visit the accounting department and did not use any predetermined list of the accounting lecturers to be interviewed rather he asked as much as possible of the 54 academics working at the Accounting Department at UB he met to take part in the research. The researcher went the lecturers' offices, lectures rooms and waited in corridors to meet lecturers and ask them for interviews. However, some lecturers refused to be interviewed and as the case study was conducted when Libya was under Gaddafi's rule, the researcher felt that, as those lecturers did not know him personally, they were suspicious of the researcher being an agent of the government, especially as the interviews would involve digital recording which might be used against them if the comments were on issues of a political nature. Nevertheless, the lecturers interviewed had varying teaching experience of the accounting undergraduate programme at UB ranging from two years of teaching experience to more than thirty seven years of teaching experience which ensured that a wide variety and different views were obtained.

Overall, nine accounting lecturers were interviewed before the 17th February 2011 revolution took place¹⁶. Table 5.1 demonstrates the background information of the lecturers

¹⁶ It was difficult to conduct interviews through telephone or Skype given the difficulties to gain telephone numbers of accounting lecturers at UB and weak internet services in Libya.

interviewed. As shown in Table 5.1, 6 of the 9 interviewees were older than 50, with 2 aged between 20 and 30 and 1 aged between 40 and 50. Concerning the qualifications of the interviewees, 5 held a PhD in accounting, 3 had an MA in Accounting and 1 had a BSc in Accounting. Of the nine interviewees, 6 obtained their qualifications between 1981 and 1989 and the other 3 between 2005 and 2008. All the interviewees had studied their BSc at UB and 3 of them obtained their master qualifications in Libya, while of the 5 interviewees with a PhD, they were studied in the USA, 3 in the UK, and 1 in Egypt.

An inspection of Table 5.1 reveals that 7 interviewees had more than 15 years of teaching experience, while the other 2 had less than 5 years. With regard to accounting practice experience, 6 interviewees had more than 20 years of experience and also are members of the Libyan Accounting and Auditing Association (LAAA), while the other 3 had no accounting practice experience and were not members of the LAAA, thus their views should offer thoughtful insights about the development and influences over the accounting undergraduate programme developments at UB.

Table 5.1 Background Information of the Interviewees

| Interviewee Code | Age | Academic qualification | Obtained place | Gender | Teaching experience | Practical experience | Professional Membership | Year of last qualification |
|------------------|-------|------------------------|----------------|--------|---------------------|----------------------|-------------------------|----------------------------|
| A1 | 40-50 | MA*, PhD | Libya, Egypt | F | 15 | 20 | LAAA | 2008 |
| A2 | > 50 | MA, PhD | USA, UK | M | 23 | 35 | LAAA | 1988 |
| A3 | >50 | MA | USA | M | 29 | 25 | LAAA | 1982 |
| A4 | >50 | MA, PhD | USA, UK | M | 37 | 37 | LAAA | 1989 |
| A5 | >50 | MA, PhD | USA, UK | M | 30 | 20 | LAAA | 1988 |
| A6 | >50 | MA | USA | M | 20 | None | None | 1981 |
| A7 | >50 | MA, PhD | USA | M | 29 | 29 | LAAA | 1982 |
| A8 | 20-30 | MA | Libya | M | 5 | None | None | 2005 |
| A9 | 20-30 | BSc | Libya | F | 2 | None | None | 2007 |

Note: This table demonstrates the background information of the lecturers work in the accounting department at UB who were interviewed.

* This refers to the abbreviation of Master of Accounting as recognised in Libya.

All the interviews were conducted in the city of Benghazi where UB is located. The researcher conducted all interviews face to face. The average duration of each interview was one hour, and they were recorded with the permission of the interviewees. These interviews were transcribed into Arabic and then relevant parts were translated into English. All the interviewees' names were coded to preserve their anonymity. All the interviewees were happy to discuss and provide information about the accounting undergraduate programme in their university. The English and Arabic versions of the interview questions are provided in Appendix 5.1.

The first part of the interviews dealt with general questions on the age, length of time each interviewee had spent in teaching and their accounting practice experience. In addition, interviewees were asked about any professional membership and place of study. This was considered important as it enabled a picture to be built up of the academics' prior experience in teaching, accounting practise and place of study.

The second part of the interviews covered the developments of the undergraduate accounting degree syllabus such as the way of developing, reviewing and updating the content of the syllabus and the main factors influencing this development. Moreover, interviewees were asked whether the syllabus was relevant to the needs of Libyan business, Libyan accounting profession and to the students themselves and why this was so. This part of the interviews also asked academics to determine to what extent they perceived their accounting undergraduate programme to teach/develop professional accounting knowledge (IES 2); professional skills (IES 3) and ethics, value and attitudes (IES 4). Finally, interviewees were asked how they become aware of national and international developments introduced in the syllabus and whether they thought the undergraduate accounting degree syllabus was the same in all Libyan universities and the reasons for this.

The third part of the interviews was concerned with the delivery and assessment of the undergraduate accounting degree. It covered the types of delivery method and the reasons behind using such methods, how such delivery methods were used to teach/develop IES 2, 3, 4 and the main factors that influence teaching for each of these components.

The fourth part of the interviews and final set of questions dealt with the larger issues of higher accounting education. It asked the interviewees to determine the most important and powerful influences over the development, delivery and advancement of the undergraduate accounting degree in their university and the reason behind this importance. Questions were also elicited to explore: (i) the purpose of higher education; (ii) the purpose of an undergraduate degree in accounting; and (iii) the beneficiaries of undergraduate an accounting degree education. Finally, interviewees were given the opportunity to comment on the way that they would like, if that were possible, to change: (i) the syllabus and the way it is developed; (ii) the delivery of the syllabus; and (iii) any other matters related to the topic.

5.4.2 Textbooks' Interviews and Content Analysis

The findings from the case study informed the second part of the empirical work of this thesis to seek more information on the factors that influence accounting education in Libyan universities. Specifically, the findings of the case study indicate that there are several important factors that influence the accounting undergraduate programme at UB and among these was the content and availability of textbooks. The findings show that lecturers depend on textbooks to develop the syllabus of the accounting courses in the accounting undergraduate programme at UB. This means that what is taught to the accounting students is largely influenced by the textbooks' contents, which might not be updated or geared to the Libyan business context. This lack of updated textbooks may have

led to the topics being taught by the lecturers in the accounting syllabus being outdated and obsolete. Specifically, in subject areas such as accounting, management and finance new concepts develop rapidly. The availability of textbooks was also a factor that influenced negatively the quality of the accounting programme syllabus. The accounting lecturers are prevented from finding the appropriate textbooks to develop accounting syllabus hence Libyan accounting students may not be exposed to developments taking place in their profession around the world. As a result of it being a risky time of political and security turmoil in Libya 2011, the researcher was not able to undertake a questionnaire to collect data given the difficulty of distribution and collection of responses as originally planned. Therefore, the researcher had to improvise with all the trouble in Libya and re-think with his supervisors the possible methods to gather information about accounting education in Libyan universities. Consequently, an analysis of the textbooks that are used in the accounting undergraduate programme in Libyan universities was selected to be the next piece of empirical work as the researcher could only travel to the major cities of Libya including Benghazi, Tripoli and Al-Zawya to conduct interviews and collect accounting textbooks to then be analysed in the UK. This involved using two methods, namely: (i) interviewing a sample of accounting lecturers in different Libyan universities; and (ii) a content analysis of financial accounting textbooks that are used and recommended in Libyan universities.

5.4.2.1 Interviews

In order to understand the use of textbooks the accounting undergraduate programmes in Libya and the influences over their availability, selection, change and content, it was decided that interviews would again be one of the most important research techniques for gathering information. Thus, semi-structured interviews were conducted with lecturers of accounting courses in different Libyan universities to allow enough flexibility to pursue

topics in detail. After piloting the interview questions with some PhD students in the School of Business at University of Dundee for both English and Arabic versions, 17 Libyan accounting lecturers were selected because of their experience in accounting education. The interviewees were from four Libyan universities, namely, University of Tripoli (4 lecturers), University of Al-Zawya (2 lecturers), University of Al-Jabal Al-Gharbi (3 lecturers) and University of Benghazi (8 lecturers)¹⁷. As a result of the absence of a public record of the names and numbers of accounting lecturers at Libyan universities, the researcher contacted the accounting departments at these universities and arranged appointments with heads of the departments for interview and through them other interviewees were contacted for interview.

As shown in Table 5.2, 10 interviewees were aged 40 to 50, 5 were over 50 years old and one was 30 to 40. With regard to the interviewee's postgraduate qualifications, all the interviewees held a PhD in accounting except interviewee A5 who held a Masters degree in accounting. These qualifications were obtained from various countries, 8 from the UK, 3 from Egypt, 2 from Poland¹⁸, 1 from USA and 1 from Jordan. Thirteen of the interviewees completed their postgraduate qualifications between 2000 and 2011, 2 in the 1980s and 1 in the 1990s. The teaching experience of the interviewees spanned between 5 to 35 years. All the interviewees had a practical experience in the accounting profession ranging from 2 to 25 years, 14 of them are members of the LAA¹⁹.

¹⁷ The researcher was not able to interview lecturers from the other six Libyan universities as it was hard to travel between Libyan cities at the time of interviews due to the dangerous security situation.

¹⁸ Some Eastern Europe countries were destinations for some Libyan students in the 1990s as a result of the difficulties to get visas to the USA and UK.

¹⁹ The level of seniority was not among the information gathered about the interviewees.

Table 5.2 Background Information of the Interviewees regarding Textbooks

| Interviewee Code | Age | Academic qualifications | Place Obtained | Year of last qualification | Gender | Teaching experience | University | Practical experience | Professional Membership |
|------------------|-------|-------------------------|----------------|----------------------------|--------|---------------------|-----------------------|----------------------|-------------------------|
| AZ1 | > 50 | MA, PhD | UK, Egypt | 1992 | M | 30 | Al-Zawyia | 18 | LAAA |
| AZ2 | 40-50 | MA, PhD | Libya, UK | 2006 | M | 17 | Al-Zawyia | 17 | LAAA |
| AT1 | 40-50 | MA, PhD | Libya, Poland | 2004 | M | 30 | Tripoli | 5 | LAAA |
| AT2 | 40-50 | MA, PhD | Libya, Jordan | 2006 | M | 13 | Tripoli | 17 | LAAA |
| AT3 | 30-40 | MA | Libya | 2005 | M | 5 | Tripoli | 2 | None |
| AT4 | 30-40 | MA | Libya | 2009 | M | 3 | Tripoli | 0 | None |
| AJ1 | 40-50 | MA, PhD | Libya, UK | 2007 | M | 15 | Al-Jabal Al-Gharbi | 17 | LAAA |
| AJ2 | 40-50 | MA, PhD | Libya, UK | 2005 | M | 17 | Al-Jabal Al-Gharbi | 12 | LAAA |
| AJ3 | 40-50 | MA, PhD | Libya, UK | 2005 | M | 21 | Al-Jabal Al-Gharbi | 15 | LAAA |
| AB1 | 40-50 | MA, PhD | Libya, UK | 2011 | M | 18 | Benghazi | 13 | None |
| AB2 | 40-50 | MA, PhD | Libya, UK | 2001 | M | 18 | Benghazi | 20 | LAAA |
| AB3 | > 50 | MA, PhD | USA, Egypt | 1999 | M | 35 | Benghazi | 25 | LAAA |
| AB4 | > 50 | MA, PhD | USA,USA | 1980 | M | 40 | Benghazi | 6 | LAAA |
| AB5 | 40-50 | MA, PhD | Libya, UK | 2006 | M | 14 | Benghazi | 17 | LAAA |
| AB6 | 40-50 | MA, PhD | Libya, Egypt | 2008 | F | 15 | Benghazi | 20 | LAAA |
| AB7 | >50 | MA, PhD | Libya, Poland | 2000 | M | 31 | Benghazi | 15 | LAAA |
| AB8 | >50 | MA, PhD | USA, UK | 1988 | M | 30 | Benghazi | 20 | LAAA |

Note: This table demonstrates descriptive information of the accounting lecturers working in four Libyan universities interviewed. AT = Academic from University of Tripoli, AZ = Academic from University of Al-Zawyia, AJ = Academic from Al-Jabal Al-Gharbi University, AB = Academic from University of Benghazi, MA = Master of Accounting, PhD = Doctor of Philosophy, M = Male, F = Female, LAAA = Libyan Accountants and Auditors Association.

The interviews were conducted during the months of March and April 2012 across four cities in Libya namely Tripoli (the Capital), Al-Zawyia, Gharian and Benghazi. The interviews lasted for between forty-five to eighty minutes. The researcher conducted all interviews face to face in different places including offices of academics in university, classes and offices of academics in public and private organisations they work for as a second job. The interviews were digitally recorded with the permission of the interviewees except interviewee A15 who did not consent to a digital recording of the interview. All interviews were conducted in Arabic and all necessary translations were made by the

researcher. All interviewees' names were coded to preserve their anonymity. All interviewees were happy to discuss and provide information about accounting education and accounting textbooks in Libya.

The first part of the interview dealt with the background information of the interviewees. It includes questions on the interviewee's age, area of teaching, years of teaching and accounting practice experience, membership of professional bodies, study abroad, place of study abroad and year of graduation. The second part of the interview covered questions about textbook selection and the review process. The interviewees were asked questions on current recommended textbook for their course, the average time to review and change the textbook and the main factors that influence the selection and change of the current textbook. Moreover, the interviewees were asked about their opinion of the current recommended textbook, process of reviewing recommended textbooks, the use of any supplementary materials with the textbooks, the awareness of any alternative textbooks and the possibility of changing the current recommended textbook and the reason behind such thought. The third part dealt with issues such as the needs of the Libyan students, the accounting profession and the business environment, the availability of Libyan textbooks, the incentives to write textbooks within Libya and the factors influencing textbooks. English and Arabic versions of interview questions are provided in Appendix 5.2. The results of the interviews were analysed in Chapter 7 in the context of the review of Libyan context provided in Chapter 2, accounting education literature presented in Chapter 3, and NIS theory discussed in Chapter 4.

5.4.2.2 Content Analysis

A content analysis method was used to examine the textbooks used by accounting lecturers and recommended to students in Libya universities. This section outlines the content analysis method and its use in the present study.

Content analysis is potentially among the most significant research methods used in the social sciences (Krippendorff, 2013). The content analysis techniques have been adopted by various fields; such as anthropology, literature, politics, history and psychology (Bryman, 2001). Krippendorff (2013) describes content analysis as “a research technique for making replicable and valid inference from texts (or other meaningful matter) to the context of their use” (p. 24). Meanwhile, Bryman (2001) defines content analysis as:

“...an approach to the analysis of documents and texts that seeks to quantify content in terms of predetermined categories and in a systematic and replicable manner.” (p. 181).

In other words, researchers using content analysis techniques quantify and analyse the presence, meanings and relationships of words and concepts within a document or text, to make inferences about the messages within the text, the sender(s), the audience, and even the culture and time of which these are a part (Weber, 1990). Accordingly, hidden characteristics of what is being communicated through the written text may potentially be disclosed by content analysis (Denscombe, 2010; Abbott and Mckinney, 2013). Further, content analysis is a readily-understood, inexpensive research method. It usually produces measures in which neither the sender nor the receiver of the message is aware that it is being analysed (Weber, 1990; Abbott and Mckinney, 2013). Content analysis also becomes a more powerful tool when combined with other research methods such as interviews, observation, and use of document analysis as in this thesis (Bryman, 2001).

From the above, it seems that there is an emphasis on the replicable and quantitative aspects of content analysis which would seem to contradict the philosophical claims of the subjective viewpoint adopted by the researcher in this study. Nevertheless, Bryman (2001) argues that content analysis can also be adopted in order to “interpret meaning that lie beneath the surface” (p. 178), as it does not isolate context when it studies the message. Moreover, data can be explored from various standpoints which involve a level of subjectivity in the interpretation of the meaning of the message (Dunne, 2003; Beattie and Thomson, 2007; Krippendorff, 2013). Therefore, the use of content analysis in this study is in line with the researcher’s claim to a subjective approach as the classification of subjects and words in the textbooks and synonyms identified and applied in the analysis are essentially subjective. However, the extent of subjectivity in this study is reduced via the development and pre-analysis of a rigorous set of decision rules.

There are number of steps in the content analysis process (Weber, 1990; Hussy and Hussy, 1997; Krippendorff, 2013). The research method involves codifying the text or content of a piece of writing into different categories depending on selected criteria and then counting the number of instances when those categories are used in this piece of writing (Weber, 1990; Hooks and Staden, 2011). This process can be divided into steps as follows. The first step starts with selection of a suitable representative sample. This requires content analysts to limit the sample to a manageable body of texts (Krippendorff, 2013). In addition to a sample population, a sampling unit also needs to be identified (Weber, 1990; Krippendorff, 2013). Krippendorff (2013) notes that educational material “are a rich source of data” to enable an understanding of “a society larger political, attitudinal and value trends” (p. 18). Potential sampling units in accounting education is the textbooks (Scapens et al., 1984; Kelly and Pratt, 1988; Cuganesan et al., 1997; Ferguson et al., 2005; Sikka et al., 2007). In

this regard, Ferguson et al. (2005) emphasise that analysis is needed to “...illuminate the factors, which prescribe or influence the content of [accounting] textbooks” (p. 42).

The second step is to determine the unit of measurement or coding unit. According to Krippendorff (2004) the reasons for this step is that researcher needs to: (i) create resilient records of otherwise transient phenomena, such as spoken words or passing images to be able to compare them across time, apply different methods to them, and replicate the analyses of other different researchers; and (ii) transform unedited texts, original images, or/and unstructured sounds into analysable representation. Coding units can be words, themes, characters, items, sentences, and space and time measures such as inches of text, paragraphs, lines, and so on (Kassarjian, 1977; Hooks and Staden, 2011; Krippendorff, 2013). Although, there has been a continuing debate in the content analysis literature upon the most useful unit of analysis (Gray et al., 1995; Hooks and Staden, 2011).

The third step is to develop proper categories. Weber (1990) suggests that in establishing categories the researcher must make two elementary decisions. The first is that the categories must be mutually exclusive, which means that a recording unit can not be classified simultaneously in two or more categories. The second is concerned with the extent of the category, where some categories can be limited because of the language and thus may have few words or entries, and others may have many entries. However, an appropriate theoretical framework is necessary in order to avoid unintentional bias and to filter out idiosyncrasies of the researcher (Carney, 1971). The aspect of subjectivity is unavoidable; however establishing accurately defined categories at the beginning can assist the researcher to decide the correct classification of instances within texts (Kassarjian, 1977; Dunne, 2003; Krippendorff, 2013).

The fourth step is the piloting the study or pre-testing. This helps to investigate the strength of the decision rules and research instrument, which can reveal ambiguities and often leads to insights suggesting adjustments of these rules (Weber, 1990). A sample of the material should be selected to be pre-tested by several coders to ensure consistency in terms of decision rule application (Krippendorff, 2004).

The fifth step is data recording and coding. The success of content analysis depends greatly on the coding process (Krippendorff, 2013). This step facilitates the sub-categorisation of specific instances within defined texts in accordance with the present decision rules (Weber, 1990). In the coding process, researchers create or develop a coding scheme to guide coders to make decisions in the analysis of content (Krippendorff, 2013). A coding scheme is a translation device that organises data into categories. However, the coding task differs depends on the types of content (Potter and Levine-Donnerstein, 1999). Many researchers use clerical recording or counting to code the content of the text, when a specific issue is covered either a check is made, or a number added to count, or a measurement is made of the amount of text dedicated to the topic. For other researchers, the coding process is more complex, the coding task concentrates primarily on constructing judgments from one's personal schema based on the detailed decision rules (Dunne, 2003). Researcher should ensure the reliability of the recording process. The researcher must set out decision rules in basic terms to reduce ambiguities; be familiar with the kind of data to be analysed; be able to understand these rules and apply them consistently (Krippendorff, 2013).

The coded data can also be entered in a particular computer package to be statistically analysed. According to Krippendorff (2004) there are many techniques that a researcher might use to apply them on essentially unstructured documents by means of reasonably

well defined and consistent measurement categories which can be used to compare the content of each document. The next step is to analyse the summarised data in relation to its broader context to draw inferences that are intended to answer the research question(s).

5.4.2.2.1 Reliability and Validity

The content analysis process must be reliable and valid (Weber, 1990; Krippendorff, 2013). According to Kassarian (1977) reliability is one of the distinctive characteristics of content analysis compared to other techniques of describing communications content. The reliability for content analysis can be classified into three types, namely: stability; reproducibility; and accuracy (Krippendorff, 2004). Stability is the extent to which a measuring procedure yields the same results on repeated trials and it can be determined when the same content is coded more than once by the same coder (Weber, 1990). Reproducibility or intercoder reliability refers to the extent to which the coding process produces identical results when the same text is coded by multiple coders (Weber, 1990). Accuracy refers to the extent to which the coding corresponds to pre-determined standards. To establish accuracy, researchers must compare the performance of one or more coding procedures with the performance of a procedure that is taken to be correct (Weber, 1990; Krippendorff, 2004). Clear rules and procedures are needed to be set to reduce the possibility that the results reflect the researcher's subjective tendencies instead of the content of the text being analysed.

Validity is defined as "the extent to which an instrument measures what it purports to measure" (Kassarian, 1977, p. 15). A content analysis can be valid if the inferences drawn from the texts resist the test of independently available evidence, of new observations, of competing theories or interpretations, or of being able to inform successful actions (Krippendorff, 2013). Validity can be enhanced by developing coding schema that directs

coders in the content analysis. To generate scientific data, the coding schema should be designed to ensure that all coders are given enough direction so that coding decisions are made consistently across coders, across content, and across time. Consistency is the key to reliability, and reliability is one of the major components in achieving validity in the data (Potter and Levine-Donnerstein, 1999; Krippendorff, 2004). Accordingly, biased or incomplete analysis can be minimised, the relevance of data to a problem is ensured and the results will have theoretical relevance and be generalisable (Kassarjian, 1977; Dunne, 2003).

5.4.2.2.2 Use of Content Analysis in the Current Study

Content analysis has been used in accounting education research. The technique has been utilised to examine the content of the accounting textbooks (Scapens et al., 1984; Kelly and Pratt, 1988; Cuganesan et al., 1997; Ferguson et al., 2005; Sikka et al., 2007). It has been recognised that accounting textbooks have an important influence on the educational process in general; more particularly, on the knowledge communicated to students (Brown and Guilding, 1993; Ferguson et al., 2005; Ferguson et al., 2009). Therefore, the contents of textbooks must be relevant and up-to-date to adequately meet the needs of the lecturers and students. The findings of the case study of UB showed that Libyan accounting lecturers rely on textbooks to prepare the syllabus and delivery of their accounting courses. The findings also reveal that there is a shortage of up-to-date textbooks and other referencing material such as journals and scientific periodicals within UB. Accordingly, to analyse the institutional influences on accounting education in Libyan universities, the accounting textbooks used by lecturers and recommended to students were selected as the sampling unit for the current content analysis. Libyan financial accounting textbooks were selected in particular as financial accounting courses comprise the major part of Libyan universities' accounting curriculum as identified in the case study in Chapter 6. To identify

the name and author of the Libyan accounting textbooks, the departmental web pages of the Libyan universities' web-sites were searched by the researcher. This however, proved unsuccessful as such information was not contained on these web pages, with some departments not having a web page at all. The researcher then obtained the Handbook of Economic Faculties' Syllabus issued by the Centre of Higher Education for Quality and Assurance in Libya to identify recommended Libyan accounting textbooks. The courses and textbooks were listed in a table and the researcher later asked the accounting lecturers interviewed to specify the textbooks from the list. Moreover, in a number of instances, the researcher asked other accounting lecturers other than the interviewees that he met but did not interviewee because of time constraints to select the Libyan textbooks that they used in their courses.

Seven Libyan accounting textbooks were identified to be analysed (details of these textbooks are presented in Chapter 7). There was an agreement among accounting lecturers of the textbooks that are used and recommended by them in their courses. Al-Sharief et al. (2004) *Principles of Financial Accounting*, Al-Hasy et al. (2006) *Intermediate Accounting* and Abozreada (2007) *Taxation Accounting* were selected by all lecturers as their main textbooks and recommended to students, hence they were selected to be analysed. According to the Handbook of Economic Faculties' Syllabus and the lecturers interviewed, Husseny (1998) *Accounting for Limited Liability Companies*, Abozreada (2000) *Oil Accounting Scientific Bases and its Practise*, Al-Hasady (2005) *Analysis of Financial Statements* and Ben-Gharbya and Blkher (2001) *Accounting for Public Funds and National Accounting* were the only Libyan authored textbooks on accounting for limited liability companies, oil accounting, financial analysis and governmental accounting respectively and were used by lecturers and recommended to students, accordingly they were also selected to be analysed.

In any content analysis, a coding unit must be adopted to determine how the content is measured or defined (Krippendorff, 2013). Many coding units can be used such as words, themes, and sentences, lines of text, paragraphs or space measures of text such as centimetres (Weber, 1990; Bryman, 2001; Krippendorff, 2013). According to Smith and Taffler (2000) content analysis generally can be taken through two approaches: the “form oriented approach” which focuses on word counts and the “meaning oriented approach” which focuses on underlying themes. Weber (1990) claims more reliable results could be achieved through the use of word counts. However, Krippendorff (1980) prefers themes; but it is problematic in practice. The coding unit employed in this study’s content analysis is word counts reflecting a form oriented approach, as the more a word occurs in the text the greater is its presumed significance to the examined factor (Smith and Taffler, 2000; Ferguson et al., 2005).

An accurate definition and classification of text categories is significant in any content analysis (Dunne et al., 2008; Krippendorff, 2013). Prior to the commencement of content analysis, three categories were identified to be used as basic structure for content analysis of the selected textbooks: (i) Western influences; (ii) Arab countries influences; and (iii) the Libyan influence. These categories were developed based on a thorough review of the Libyan context chapter, case study findings of UB, literature review and preliminary reading of a sample of the textbooks selected for content analysis. Further breakdown of the items included under each category was agreed between the researcher and supervisors. The items also had to be translated into Arabic as all selected textbooks are written in Arabic. The resulting detailed decision rules are presented in Appendix 5.3.

As all selected textbooks are in Arabic, the researcher and another Arab PhD student at the School of Business performed a content analysis on two chapters of two selected

textbooks²⁰ for reliability and replicability. This was performed manually, counting the number of times each word appeared in the textbooks chapters and totalling the number of words in each. The researcher did the content analysis separately from the other Arab PhD student and then the results were compared. This proved to be consistent, with some differences noted and therefore the decision rules were refined after discussion between the researcher and supervisors to agree upon the final list of items and their synonyms (see Appendix 5.3). After preliminary steps of analysis were completed the researcher performed the content analysis on the seven textbooks. The process was done manually by counting words in the list of items and then totalling the number of items in each textbook. The results are presented in Chapter 7.

5.5 Summary

The chapter highlights the different philosophical assumptions that underpin this thesis and the research methodology and methods that are employed. With regard to these assumptions of ontology, epistemology, and human nature, the study uses the interpretive paradigm as its methodology. The study also embraces qualitative research methods namely case study, semi-structured interviews and content analysis for data collection. These methods were chosen because they tie up with the main research objective of investigating the influences over the undergraduate accounting programmes at Libyan universities. As the research was conducted during a risky time of political turmoil in Libya, questionnaires and other methods were not the most appropriate method of data collection as a result of the difficulty of distribution and collection of responses. The next two chapters present the results derived from the case study, interviews and content analysis.

²⁰ The other Arab PhD student had experience on content analysis as he used it as one of the research methods of his thesis.

Chapter 6: Case Study

Chapter 6

Case Study

6.1 Introduction

This chapter presents the first piece of empirical work of this thesis, reporting a case study of the undergraduate accounting programme in the Faculty of Economics (FE) at University of Benghazi (UB) in Libya. Specifically, this chapter looks at the influences impacting on the undergraduate accounting programme in the Libyan context. The chapter aims to answer the research questions of: (a) what institutional pressures (factors) influence accounting education practices in Libyan universities; and (b) what is the dominant logic of Libyan accounting academics. In particular, this chapter examines the institutional historical, political, economic and cultural environment of Libya and how this impacts on the undergraduate accounting programme at UB.

Information about the case study was gathered via different sources. First, data was obtained from: (i) the syllabi handbook of FE which contains all its programme syllabi including the accounting undergraduate programme and course outlines; and (ii) the official website of UB and FE. Second, data was gathered through interviews with lecturers of the accounting department. Additionally, data was collected through the researcher's observations of the lectures he attended as well as UB's facilities and its general condition. This data was assembled before the Libyan revolution of 17th February 2011.

This chapter begins with a section providing an overview of UB, FE and its departments and educational regulations. The next section outlines the historical development of the undergraduate accounting programme curriculum and the influences of political and economic changes in Libya on it. The following section examines the influences of politics on the development of the accounting undergraduate programme curriculum. This is

followed by a section that investigates the influence of lack of funding on the development of the undergraduate accounting programme curriculum. The following section explores the teaching methods used in the accounting undergraduate programme and factors influencing them. The last section summarises the chapter.

6.2 Overview of the University of Benghazi

UB is a public university located in Benghazi, which is the second largest city in Libya. UB was established in 1955 as the first ever university in Libya. It was then named the Libyan University. The nucleus of the University, at this time, was the Faculty of Arts and Education, which included 31 students, 6 professors and 9 administrative staff members (University of Benghazi, 2011).

In 1973, the name of the University was changed as the Libyan University was divided into two universities, University of Benghazi and University of Tripoli and in the same year the University of Benghazi moved out of the city centre to its current position in the Garyounis district of Benghazi²¹. However, in the following years the political scene in Libya underwent dramatic changes as a result of the Cultural Revolution, announced by Gaddafi in late 1973. This led to restrictions in the political and media arena and marked the start of Gaddafi's monopoly of power, and he later imposed his new social, economic and political ideology on the country. As a result, Gaddafi's regime confronted strong resistance in both Benghazi and Tripoli universities, which led to intervention from the government in the universities' affairs to reduce the strength of the opposition to his new policies and the implementation of Gaddafi's new ideology. In a symbolic step to show its control of the universities the name of University of Benghazi was changed to the University of

²¹ Despite of the establishment of University of Tripoli, the higher business education including accounting was only offered at University of Benghazi until 1985.

Garyounis in 1976,²² the same name as the military camp that Gaddafi worked in until 1969 when he announced the takeover of power of Libya on 1st September 1969. The University of Garyounis became the official name of the university, from 1976 until recently, when the university's Board of Directors decided to return the name back to University of Benghazi again in October 2011. As shown in Figure 6.1, the official web page of the university, cited below, states that:

“After the revolution of the 17th February [2011], the university Board of Directors decided to restore the university inherited name "Benghazi" in a new start towards prospects prosperity and progress” (University of Benghazi, 2011).

Figure 6.1 University of Benghazi Welcome Page



Source: www.benghazi.edu.ly/, 31 October 2011.

Note: This figure shows the change of the name from University of Garyounis to University of Benghazi.

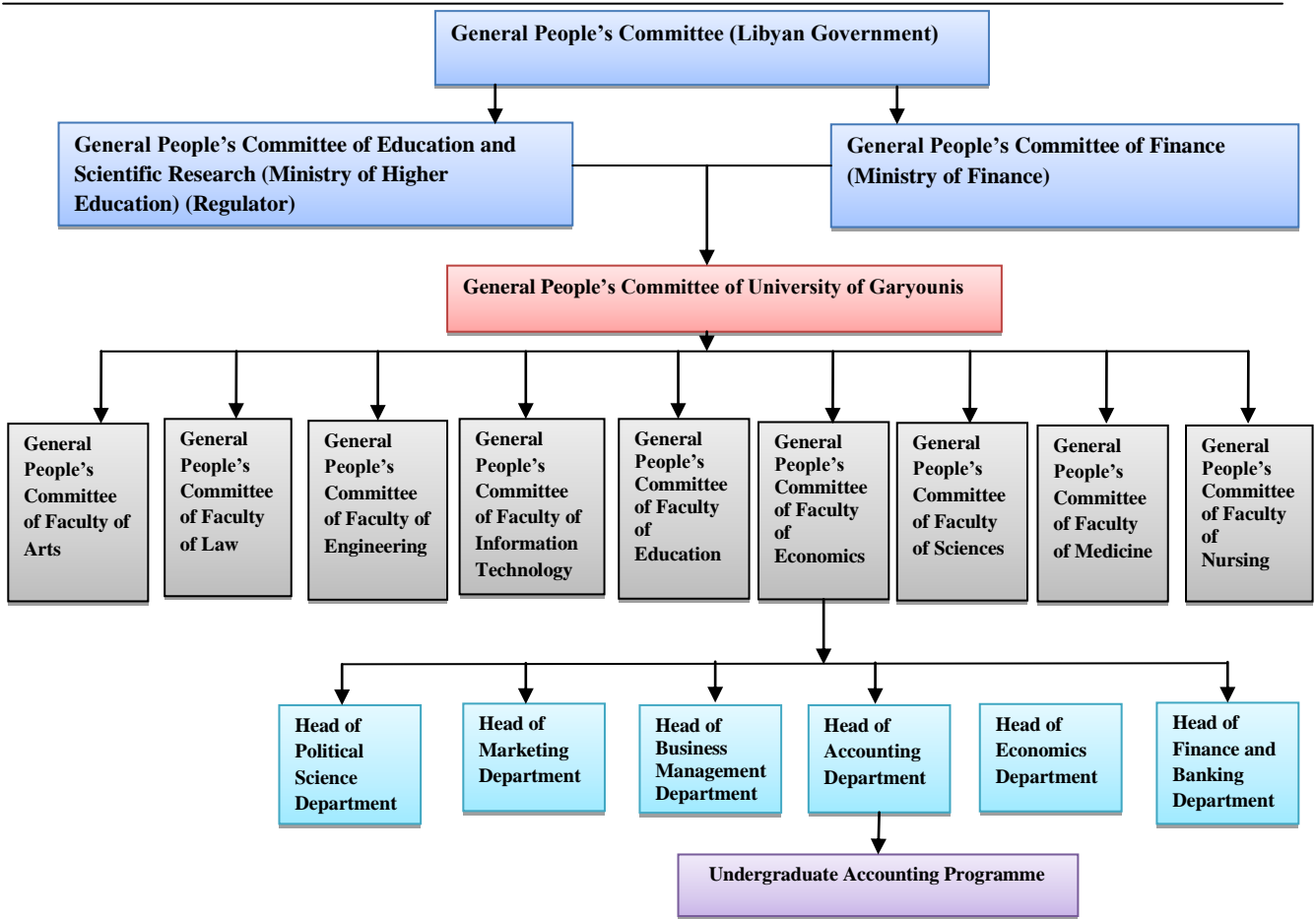
UB has been continuously developing and expanding in the eastern and south eastern cities of Libya, as a result of the growing number of secondary education graduates in the last twenty years. Thus, new branches have been opened in other eastern cities of Jalo, Ajdabyia, Sloug, Agoria and Al-Marj and the south eastern city of Al-Kufra. Every year, UB accepts a large number of undergraduate students in addition to a number of postgraduate students. According to the official web site of UB, there are currently about

²² The University of Tripoli name was also changed in 1976 to Al-Fath, which was the same name used by Gaddafi to name the military coup (Al-Fath's revolution) led by him in the 1st September 1969.

70,000 students enrolled in the university. They come from all of the Libyan cities but the vast majority come from the eastern part of Libya.

As shown in Figure 6.2, in the 2010/2011 academic year, there were nine faculties at UB which includes 75 academic sections. The number of academics who teach at UB is about 2,000 with roughly 270 teaching assistants, in addition to about 5,000 other employees (University of Benghazi, 2011). These numbers included those working in the accounting department in FE. According to UB's policy, the accounting department meetings decisions and proposals are then reported by the head of accounting department to the Dean of FE for approval from the General People's Committee of Faculty of Economics (Faculty Board) and then the Dean have to send them to the General People's Committee of University (General Administration) headed by the Chancellor for approval.

Figure 6.2 Structure of University of Benghazi 2010/2011*



Source: www.benghazi.edu.ly/, 31 January 2011.

Note: this figure shows the structure of UB as in the academic year 2010/2011.

*As a result of the change of the political regime of Libya in 2011, the names of the ministries and universities were changed from the beginning of the academic year of 2011/2012, however the structure stayed the same.

The university depends entirely on the funds allocated to it by the Libyan government and students do not pay any fees as education is free in Libya at all levels. According to Decree (22) issued by General People's Committee (Libyan Government) in 2008²³, in consultation with the General People's Committee of Education and Scientific Research in Libya²⁴ (Ministry of Higher Education), the General People's Committee of UB (General Administration of UB) sets the entry rules and conditions.

²³ This document was obtained by the researcher from the website of UB.

²⁴ After the revolution of 17th February 2011 and the form of a new Libyan government very recently a new ministry was created for the Higher Education to replace the General People's Committee of Education and Scientific Research, which will be responsible for the supervision of all Libyan higher education institutions.

However, the Ministry of Higher Education, annually determines the Grade Point Average (GPA) that a student must achieve in secondary school to be accepted in certain specialisations and all public Libyan universities (General People's Committee, 2010). Therefore, UB must apply these rules, which poses a challenge to the universities which then have to accommodate all these applicants that meet the GPA requirements set by the Ministry of Higher Education, regardless of the number of applicants. This policy has been implemented by the Libyan government for many years to best direct students to study subjects that they can succeed in, based on their GPA, and also to prevent students from taking some subjects that are more popular given the limited capacity of Libyan universities. Similar to all Libyan public universities, UB is headed by the Secretary of the General People's Committee (the Chancellor) who is appointed by the Ministry of Higher Education, as well as the deans of UB's faculties²⁵ (General People's Committee, 2008).

For the appointment of the lecturers and administrative staff the university is, to some extent, independent. According to interviewees (A1, A3 and A7) UB usually appoints academic staff from its undergraduate programmes' graduates, as each department can select those that have achieved the highest GPA in the year of graduation to be appointed as teaching assistants. They then start to give tutorials and help undergraduate students in educational issues, such as advising them on how to approach textbooks exercises, as they themselves continue their postgraduate masters' studies within UB. Interviewees (A1, A4 and A8) state that as a result of political changes that emerged in Libya in 2004, these teaching assistants have now had the opportunity to do their masters abroad. According to Decree (501)²⁶, after graduation of a master's degree, teaching appointees are normally promoted to assistant lecturers. As shown in Table 6.1, a PhD holder can be first appointed

²⁵ Since the revolution of 17th February 2011, the appointments of UB's chancellor and its faculties' deans are still appointed by the Ministry of Higher Education with consultation between the Ministry of Higher Education and UB and its academics.

²⁶ This Law issued by General People's Committee in 2010 and it was obtained by the researcher from the website of UB.

as lecturer, which is the next level up from a master's degree holder, after four years of teaching as an assistant lecturer and having at least one publication. Assistant professor is the next rank and it needs at least three publications and 4 years of teaching experience for a lecturer with a master's degree and 3 years of teaching experience for those with a PhD. The associate professor position requires the holder of a master's degree to have six years of experience as an assistant professor and at least 5 publications and 4 years of teaching experience and at least 4 publications for PhD holders. The highest rank is the professor which can only be reached by a PhD degree holder with 4 years of teaching experience as an associate professor and at least 5 publications. It should be noted that, according to the university rules, candidates must study their BA or BSc, Masters and PhD qualifications in the same specialization. It is clear from this promotion system that UB's emphasis is that lecturers engage in research activities in order to be promoted (General People's Committee, 2010).

Table 6.1 Academic's Promotion Structure at UB

| Qualification Academic Rank | BA, BSc | Master | PhD |
|--------------------------------|-------------------|--|--|
| Teaching Assistant | BA or BSc from UB | | |
| Assistant Lecturer | | Master's degree | |
| Lecturer | | 4 years of teaching experience as an assistant lecturer and 1 publication | PhD degree |
| Assistant Professor | | 4 years of experience as a lecturer and at least three publications | 3 years of experience as a lecturer and at least three publications |
| Associate Professor | | 6 years of experience as an assistant professor and at least five publications | 4 years of experience as assistant professor and at least four publications |
| Professor | | Not allowed to be a professor | 4 years of experience as an associate professor and at least five publications |

Source: General People's Committee, 2010.

Note: This table shows the promotion structure for lecturers at UB.

6.2.1 The Faculty of Economics

FE is one of the oldest UB faculties as it was established in 1957. According to the official web page of FE (2011), its objective is to:

“...produce specialized competencies in economic, administrative and financial, statistical and political sciences and undertake research and specialized scientific studies in these areas and disseminate and link them to the reality of life and strengthen cultural links and exchange of experiences with authorities and other bodies”²⁷.

The website also states that the faculty started with a very limited number of students (48 students) and only ten staff members. The number of students in the first graduating class was 29 in the academic year 1960-1961. However, this number of students has risen sharply over the past five decades to reach 11,100 students in 2010 including about 3,900 students enrolled in the accounting undergraduate programme (Faculty of Economics, 2011). According to the web page of FE (2011) the faculty started with two departments: (i) Economics; and (ii) Business Management and Accounting. In the academic year of 1966 the Statistics department was formed. Moreover, in the academic year of 1971-1972 accounting was separated from business management to form the Accounting Department. This was followed by the establishment of the Political Science department in 1977 and much later the Finance and Banking department and the Marketing department in 2008. The department of Statistics was also moved to the Faculty of Sciences in 2004 (Faculty of Economics, 2011). Table 6.2 demonstrates the Faculty of Economics' departments. The table shows that FE does not offer a PhD degree in any of its departments.

²⁷ The source of this was in Arabic and the researcher translated it into English.

Table 6.2 UB's Faculty of Economics' Departments 2011

| Department | Year of Establishment | Degrees Awarded |
|---------------------|------------------------------|------------------------|
| Economics | 1957 | BSc, MSc |
| Business Management | 1957 | BSc, MSc, MBA |
| Statistics* | 1966 | BSc, MSc |
| Accounting | 1971 | BSc, MSc |
| Political Science | 1977 | BSc, MSc |
| Finance and Banking | 2008 | BSc |
| Marketing | 2008 | BSc |

Source: www.benghazi.edu.ly, 2011.

Note: This table presents the academic departments in the FE at UB and the year of establishment and degrees awarded as they are in 2011.

*This department was moved to the Faculty of Science in 2004.

The faculty followed a calendar year system until the academic year 1976-1977, when it was replaced by the semester system and “acquired hours”. Acquired hours refers to the total number of hours that a student studies; they also refer to the courses that have been studied and passed by the student during all semesters. According to this system, the academic year is divided into two semesters: autumn; and spring. The duration of study in each semester is sixteen weeks including final exams. To obtain a bachelor's degree a student must take 130 semester hours²⁸ in a period of not less than three and a half years, and not more than six years (University of Benghazi, 2011).

The next sections provide an analysis of the interviews²⁹ and case study documents to identify the various factors that might have affected the undergraduate accounting programme curriculum and teaching methods.

²⁸ This number does not mean actual hours but it is credits. Number of hours means the number of lecture hours given to the students per week where some courses take 4 hours, others takes 3 hours and 2 hours. For example, in the auditing course students take 4 hours in 14 weeks of one semester, which means that the students have 56 of face to face teaching in this course.

²⁹ In order to present a logical analysis of the factors influencing accounting education practices at UB, the case study's sections were structured in different order than the structure of interviews questions presented in Appendix 5.1.

6.3 Historical Development of Undergraduate Accounting Programme Curriculum

FE at UB was the first to teach accounting at university level in Libya. The accounting undergraduate programme was first introduced in 1957 and was the only one until 1985 when the Faculty of Accounting was formed in the University of Al-Jabl Al-Gharby in western Libya. Interviewee A4 commented on the important role of the accounting department at UB:

“Accounting education at university level was first created at the University of Benghazi, and until mid-1980s there was no other university level accounting education programmes in Libya. Accordingly, the accounting programmes that established afterwards in other Libyan institutes or colleges depended mostly on graduates of the accounting department at the University of Benghazi, and hence their curriculum and syllabus were largely similar to curriculum at the accounting programme at the University of Benghazi.”

As a result, the accounting department in FE has been the most influential force in the development of accounting and accounting education in Libya, and is one of the largest in terms of students enrolled and hence is the subject of this case study.

The original curriculum of the accounting undergraduate programme was developed at the start of the programme in 1957. At that time, the curriculum and the accounting courses syllabus was largely influenced by British universities that focused heavily on financial accounting and auditing for the private sector. Interviewee A4, who was a student at UB in the late 1960s, commented:

“Of course the programme in the 1960s was a year-based and the syllabus of the courses was similar to the accounting syllabus of the British universities and textbooks were mostly British too.”

According to interviewees A3 and A7 this was due to the fact that at the start of the programme in the academic year of 1957-1958, most of the accounting lecturers of FE were mostly Arab lecturers from Egypt and Syria who had gained their postgraduate qualifications from British universities before they began to teach at UB as a result of the

lack of Libyan lecturers in the 1950s³⁰. This is consistent with the literature (see Bait-El-Mal, 1973; Buzied, 1998; Ahmad and Gao, 2004). In relation to the status of education in Libya, Ahmad and Gao (2004) state:

“When independence came in 1952, more than 90% of the population was illiterate; very few Libyans had studied at university level or qualified as professional accountants.” (p. 372).

The accounting programme structure, syllabus and the teaching material at UB at that time were imported from Britain without any consideration to the differences between the needs of the Libyan economy and the British economy.

This finding above supports Wijewardene and Yapa's (1998) observation that many accounting education systems in developing countries have been modelled around the British system. The finding is also consistent with the findings of many studies conducted in developing countries that find that universities' accounting education programmes have been influenced largely by the British accounting education programmes in the early days of the establishment of those universities (see Foo (1988) in Singapore, Wijewardene and Yapa (1998) in Sri Lanka; Samuels and Oliga (1982) and Farag (2009) in Egypt and Awayiga et al. (2010) in Ghana). However, in contrast to those countries where the transfer of the British accounting curriculum occurred during the colonial period, the influence of the British accounting curriculum on UB accounting programme was not during the British administration of Libya 1945-1950. Rather, the transfer was via British educated Arab lecturers from Egypt and Syria as result of the absence of national experts who were qualified for the preparation of the university-level accounting programme at UB at the start of the programme in 1957. Thus, normative isomorphic influences were apparent, with university lecturers bringing the professional practices of academics in the UK to Libya (DiMaggio and Powell, 1991; Tuttle and Dillard, 2006). Arab lecturers trained at

³⁰ Both interviewees A3 and A7 reflected on their experience as students in late 1960s at UB.

universities in the UK, were influenced by British accounting education practice, which they then later transferred to UB.

According to the interviewees, the undergraduate programme remained British oriented during the 1960s and early 1970s. However, in the 1960s there was an improvement in the political and economic relationship between Libya and the US which was reflected in a growing influence of American accounting practice and education on Libya as graduates of FE were sent to the US to complete their postgraduate studies including graduates of the accounting department. According to interviewees A4 and A7, in 1967 three accounting students from FE returned to become the first native Libyan accounting lecturers in the accounting department, ten years after the opening of FE in 1957. All of them had gained their master's qualifications from American universities, but the rest of the staff were still Egyptians and Syrian who had had their postgraduate qualifications from British universities. Nevertheless, according to the interviewees, by the early 1970s more Libyan students were sent to the US for their postgraduate studies and returned to join the FE departments as lecturers, and they soon formed the majority of the teaching staff in FE. According to interviewees A4 and A7, FE formed a committee in 1975 to review its programme structure and syllabus and selected some of the American-educated accounting department lecturers as members of that committee. This committee recommended a change to FE's educational system which was then adopted by FE and UB. Interviewee A7 who was at UB at that time stated:

“This changed in 1976 [old accounting programme syllabus] as the switch was made to a mini version of the system in the US with a semester system, and courses adopted that were core or elective courses and included specialized and general courses. A major influence of this change was the lecturers who had obtained their postgraduate qualifications from the US and formed the majority in the Faculty of Economics at that time in 1976.”

Interviewee A4 who was also at UB at that time agreed with this view and emphasised the importance of the backgrounds acquired through education in shaping lecturers' decisions about curriculum and syllabus adopted that time:

“...the educational background of the lecturers was an important factor...because any one expresses a view about any issue must have a certain background informing it...therefore, the syllabus adopted at that time was influenced by the syllabus that lecturers had studied at the American universities.”

This change in the educational system of FE was clearly influenced by the actors' (lecturers) educational backgrounds in US universities. Therefore, the accounting department shifted its orientation of the accounting programme curriculum and syllabus from the British model to a system that mimicked the American universities accounting education programmes. Thus, there was a mimetic and normative isomorphism process over the development of the curriculum.

Interviewee A3 was also a lecturer at the accounting department at the time of change but argued that there had not been any significant change due to the heavy focus on financial accounting subjects of the newly adopted syllabus; however he noted that:

“...compared to the old programme names and classification, many courses were changed and in many cases syllabuses' items of adopted courses were directly taken from contents of American textbooks. Those textbooks also affected the method of accounting teaching. For example, the method of introducing novice students to double entry system was changed from what is termed in Arabic “theory of taker and giver”, which is typically used by British textbooks, to what is termed in Arabic “the balance sheet equation” which is typically used by American textbooks.”

After 1976 more graduates that had been sent to the US returned to join FE and the accounting department as lecturers. This US influence is present today, as can be seen from the profile information presented in Table 6.3 which shows that there are 14 lecturers now working in the accounting department who obtained their postgraduate qualifications from an American university during the 1970s and early 1980s. There were 54 lecturers working

in the accounting department in 2011, 33 (62%) lecturers hold masters of accounting (MA), of which 29 were gained in Libya, particularly from the accounting department at UB and 4 in the USA. In addition, 21 (38%) lecturers hold a PhD in accounting of which 10 were obtained in the USA before 1984, 8 in the UK and the rest from Canada, Australia and Egypt. This reveals that almost all the PhD qualifications of lecturers were gained in western countries.

Table 6.3 Profile of Lecturers in the Accounting Department at UB in 2011

| Country Qualification | Libya | USA | UK | Canada | Australia | Egypt | Total |
|--------------------------|-------|-----|----|--------|-----------|-------|-------|
| PhD | 0 | 10 | 8 | 1 | 1 | 1 | 21 |
| MA* | 29 | 4 | 0 | 0 | 0 | 0 | 33 |
| Total | 29 | 14 | 8 | 1 | 1 | 1 | 54 |

Source: www.benghazi.edu.ly, 2011.

Note: This table shows the accounting department at UB lecturer's postgraduate qualifications and country obtained from. PhD

* This refers to abbreviation of Master of Accounting as recognised in the USA and Libya.

Libyan students were again not allowed to study in the US between 1984 and 2004 due to the breakdown of the political relationship between the two countries, however the influence seems to have continued until now as interviewee A7 noted that:

“We [now] follow the American universities and what they teach in their syllabus and textbooks as well as FASB publications.”

This was also stated by interviewee A5 who added that:

“Of course, the curriculum was prepared in the late 1950s and in the mid-1970s it was modified by FE and we can say until now that the same courses used in the USA are used in our undergraduate accounting degree.”

This finding is in line with the results of many studies in various developing countries such as Agami and Alkafaji (1987) in Egypt, Jordan, Saudi Arabia, Libya, Iraq and Kuwait; Wijewardena and Roudaki, (1997) in Iran, Bob and Mihret (2011) in Ethiopia and Akathaporn et al. (1993) Yapa and Pholkeo (2012) in Thailand. These studies found that

universities' accounting education programmes in these countries have been adopted from the USA as result of factors such as political and economic ties, financial assistance and education of the academic staff. Given that there are differences between developing and developed countries in terms of the level of development and accounting needs, the accounting knowledge and skills needed in these economies are also likely to be different. Hove (1986), Perera (1989), and Ndzingo (1990) have suggested that the transfer of the western education system and accounting practices from developed to developing countries such as Libya is inappropriate due to the socio-economic differences between the two. The Anglo-American accounting education programmes concentrates much more on financial accounting and auditing and pays less attention to subjects such as managerial accounting, public sector accounting or accounting for agriculture, mining and extractive industries which are important activities of many developing countries (Enthoven, 1981; Agami and Alkafaji, 1987; Wallace, 1990; Wijewardena and Roudaki, 1997; Dima, 2003; Bobe and Mihret, 2011).

The curriculum that was adopted in 1976 has been institutionalised and become embedded ever since. The initial change in the orientation of the programme from British to American resulted from mimetic and normative pressures. In FE the influence of American educated lecturers led them to adopt an American oriented curriculum which then led to a shift of the accounting programme curriculum toward American universities curriculum and syllabus. This continued as more lecturers were sent to the US to do their Masters and PhDs, embedding this logic even further. Palmer et al. (1993) argue that organisations choose among alternative practices that they understand, and adopt forms that are considered legitimate by other organisations in their field. It seems that, based on the recommendation of its academics, FE believed that the American universities accounting programme could

satisfy its Libyan students' needs, despite the differences between the Libyan economy and western economies.

However, most of interviewees (A1, A2, A3, A5, A6 and A7) reported that their ability to follow international developments had been affected negatively during the 1980s and 1990s due to the political situation in Libya when the country was under US and UN sanctions which made it very difficult for Libyan lecturers to attend conferences and courses abroad or subscribe to scientific journals to update their knowledge and get acquainted with the ever-changing accounting profession. Interviewee A5 commented:

“The lengthy US sanctions and international embargo against Libya has had a negative impact on the education and all other service sectors. For example, it was very difficult to attend a conference or to subscribe to a journal in the US or UK because of the instruction from the authorities to restrict the relationships with the west...Of course this has widened the gap between us and the world.”

Interviewee A3 also noted that Libyan lecturers were not aware of many of the new developments in the business world and in particular referred to the gap in the use of technology:

“...the world now is using information technology and the internet, even Facebook and Twitter...unfortunately we are still far behind.”

This was also coupled with the considerable reduction in the number of students that were sent abroad to study for their postgraduate qualifications in all universities in general and for UB in particular. According to the records of the accounting department³¹, from 1961, when the first accounting students were sent to the US, to 1985, UB sponsored 37 of its accounting teaching assistants to complete their postgraduate qualifications abroad. However, from 1985 to 2004 only 10 accounting teaching assistants from UB were sent abroad to complete their postgraduate studies, and most of them studied in the UK.

³¹ This is a document was obtained by the researcher from the accounting department at UB.

According to the interviewees, this led the accounting department at UB to depend largely upon its own master's programme to produce lecturers to respond to the considerable growth in the number of students in the 1980s, 1990s and 2000s. In this context, interviewee A4 stated "...the other thing was the lack of sufficient number of teaching staff; hence each one was burdened by a heavy teaching load." Interviewee A7 also indicated that the 1990s was very difficult time for the accounting department at UB:

"There were no other options, we had to face the challenge and depend on ourselves...the numbers of students were expanding and the number of lecturers was limited."

Indeed, lecturers had to use outdated references and old Arab textbooks. Interviewee A1 commented "...we have been for a long time suffering from severe shortage of textbooks". Interviewees also indicted that where English textbooks did exist, students lacked sufficient English language skills to allow them to use these textbooks and journals; as a result of the political decision to withdraw English from Libyan primary and secondary education in the mid-1980s. Interviewee A1 commented "...the weak English language proficiency of students comes from high schools and is an obstacle to the learning process; therefore I do not ask students to do things that they can not do such as using English references". Interviewee A7 indicated that education was an integrated process of elementary, secondary and higher education where the former affected the latter and stated:

"In relation to English language, our programme includes two courses but they are not enough as students come to university with weak English skills."

Therefore, Libyan accounting students face many problems to find up-to-date references as they can only rely on textbooks written in Arabic, which in most cases are very old. However, three interviewees (A1, A4, and A7) noted that change in the political situation of Libya after 2004 led to improvements in the English language teaching. Following the political decision to open up Libya to the west in 2004, English regained its status in Libya. English is now the main language of communication within the petroleum sector in Libya,

and the entry of foreign companies seeking local offices in Libya is creating a need for English speaking staff. In response to such educational and market needs, the Libyan government reviewed its English language policy in 2003. In addition to introducing a new English syllabus for secondary schools, since 2006 English is now taught from primary year 5 (age 10) just as it had been 42 years ago. These developments might result in improvements of the English language skills of Libyan students which may affect higher education in general and particularly accounting education in Libya. In this regard, interviewee A4 noted that the proficiency of Libyan students in English language was very weak and therefore:

“In recent years, attempts have been made by some students from UB to enhance their familiarity with English at private institutions outside the university as they recognise the importance of English language for job prospects after the increase of the number of foreign companies in Libya where proficiency in English language is often among the requirements.”

Furthermore, all the interviewees agreed that since the start of the opening up of the country in 2004, there had been some improvements in their ability to keep up-to-date with what was happening in the world through the internet which had become the main source of information for them. Interviewee A7 noted:

“Using the internet, we now follow the American universities and what they teach in their syllabus and the textbooks they use.”

The internet had been limited up until 2009 as the university did not have a subscription to scientific databases but UB then purchased its first subscription to Oxford Journals Database. However, some of the interviewees reported that they did not all benefit from it as all of its material was in English and, as shown in Table 6.3, twenty nine out of fifty four lecturers working in the accounting department had studied their master’s degree in Arabic at UB. Interviewee A8 noted that:

“There has been some changes in the availability of online articles at the university in the recent years...many of my colleagues are not proficient in English language... I do not use this facility because I am not proficient in English language.”

Moreover, interviewee A9, a teaching assistant doing her master's degree in the accounting department, reported that she had to go to Egypt to look for up-to-date references in Arabic as she could not use English references such as those available in the database purchased by UB.

Nevertheless, the improvement of the relationship between Libya and the west and the lifting of UN sanctions had allowed the Libyan government to send thousands of Libyan students to study for their postgraduate qualifications abroad, among them lecturers at UB. In recent years the accounting department's staff had started to come back from abroad with PhDs and with more up-to-date knowledge and more awareness of recent developments at the international level as interviewee A9 stated:

“I noticed that PhD holders who recently returned from abroad have awareness of modern subjects such as IFRS.”

According to the interviewees there are currently eight accounting lecturers from the accounting department studying PhDs in accounting in the UK, Egypt and Cyprus and all of them had master's degrees from UB.

Moreover, the political and economic changes in Libya since 2004 have also affected the structure of the accounting curriculum of the undergraduate accounting programme. According to the interviewees, the structure of the curriculum of the accounting programme had not changed significantly since 1976. In this regard, interviewee A4 reported that the development and review of the syllabus was not a job that was repeated regularly and added that:

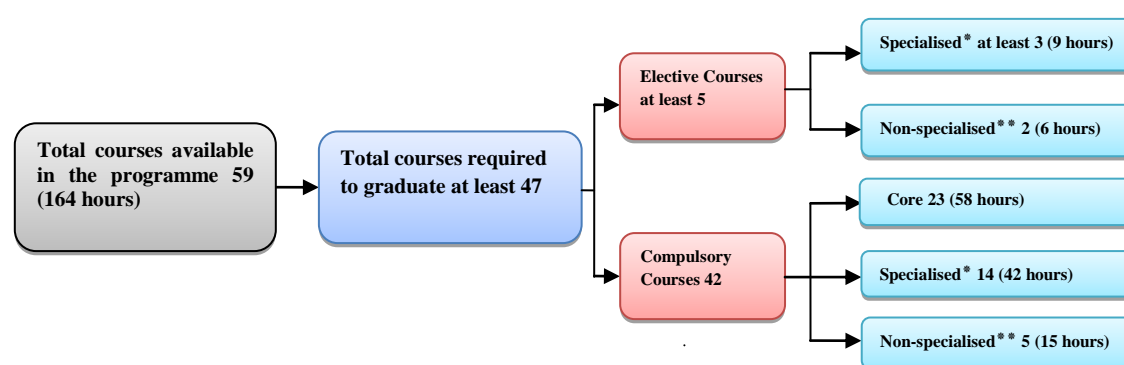
“The curriculum in the Faculty of Economics was basically prepared in its general format when the transition was made from the yearly system to the semester system in the year of 1976. After that there has been no attempt to review and modify the curriculum except very view scattered additions and modifications.”

These few additions and modifications mentioned by interviewee A4 occurred as a result of the changes that led Libya to start to open up politically and economically since 2004 with the Libyan regime desiring a more stable relationship with the west in order to secure its survival. According to the interviewees, the administration of FE had realised the need of the Libyan economy for new financial and marketing personnel and two programmes in finance and marketing were created after the establishments of the banking and finance and marketing departments in 2008. As shown in Figure 6.3 and Table 6.4, this led to the creation of two new courses, fundamentals of finance and fundamentals of marketing, which were added to FE’s required courses for all FE students including those in the accounting department. The changes in the Libyan politics have thus influenced the courses in the accounting programme. For example, electives such as shareholding companies’ accounting and financial statement analysis started in 2002 and became compulsory in 2004. In addition, the introduction of a course on international accounting and IFRS was added as an elective in 2008 as Libyan banks have to use IFRS to prepare their financial statements and the Libyan Stock Market requires IFRS. This was at the expense of other accounting courses, namely accounting for agriculture projects and advanced accounting which were dropped from the curriculum (see Appendix 6.1, Accounting Programme Syllabus in 2001-2002).

As shown in Figure 6.3, the undergraduate programme in accounting offers 59 courses divided into: (i) compulsory courses, consisting of core courses, specialised courses and non-specialised courses; and (ii) elective courses, consisting of specialised courses and non-specialised courses. In total, the programme offers 164 hours, of which a student has to

study at least 47 courses equal to 130 hours to graduate. One hundred and fifteen hours (88.4%) are compulsory courses, of which 58 hours (50.4%) are core courses, 42 hours (36.6%) are specialised courses and 15 hours (13%) are non-specialised courses. In addition, students have to take 15 hours (11.5%) of elective courses to total 130 hours, which must include 9 hours of specialised courses and 6 hours of non-specialised courses³². Structure of the courses accounting students have to take and pre-requirements of each course are presented in Appendix 6.2 Undergraduate Accounting Programme Courses 2010-2011.

Figure 6.3 Distribution of the Courses of the Accounting Undergraduate Programme



Source: The accounting programme courses description, 2011, University of Benghazi, Libya.

Note: This figure shows the distribution of courses in the accounting programme at UB.

*Specialised = Accounting

**Non-specialised = Business-related

³² The difference between compulsory and elective courses is that students must repeat compulsory courses if they do not pass these courses, but in the case of elective courses, if they fail, they can choose another course instead, but the courses a student fails will appear in the transcript of the student.

Table 6.4 Undergraduate Accounting Programme Curriculum 2010-2011

| Compulsory Courses | Hours per week | Elective Courses (students choose 15 hours) | Hours per week |
|--|-----------------------|--|-----------------------|
| (i) Core Courses: | | Non-specialised (6 hours): | |
| Semester 1 and 2: | | | |
| Arabic Language | 2 | English Language (3) | 3 |
| Islamic Studies | 2 | Macroeconomics (1) | 3 |
| Civil Law | 3 | Macroeconomics (2) | 3 |
| English Language (1) | 3 | Organisational Behaviour | 3 |
| Thought of Masses (1) | 2 | Sales Management | 3 |
| Principles of Microeconomics | 3 | Supply Management | 3 |
| Business Administration Principles | 4 | Financial Markets | 3 |
| Accounting Principles (1) | 2 | Banking and Money | 3 |
| Fundamentals of Statistics (1) | 2 | Public Finance | 3 |
| Fundamentals of Math Analysis (1) | 2 | Management of Investment Portfolios | 3 |
| Fundamentals of Computing | 3 | | |
| Fundamentals of Political Science | 3 | Total hours | 30 |
| | | | |
| Total Hours | 31 | | |
| | | | |
| Semesters 3 and 4: | | | |
| English Language (2) | 3 | | |
| Thought of Masses (2) | 2 | | |
| Thought of Masses (3) | 2 | | |
| Thought of Masses (4) | 2 | | |
| Principles of Macroeconomics | 3 | | |
| Accounting Principles (2) | 2 | | |
| Fundamentals of Statistics (2) | 2 | | |
| Fundamentals of Math Analysis (2) | 2 | | |
| Fundamentals of Public Administration | 3 | | |
| Fundamentals of Marketing (2008)*** | 3 | | |
| Fundamentals of Finance (2008)*** | 3 | | |
| | | | |
| Total Hours | 27 | | |
| | | | |
| (ii) Specialised Courses: | | Specialised Courses (9 hours): | |
| Semesters 5,6,7,8: | | | |
| Intermediate Accounting (1) | 3 | Accounting for Services Firms | 2 |
| Intermediate Accounting (2) | 3 | Research Methods | 3 |
| Accounting for Limited Liability Companies | 3 | Applications in Accounting | 3 |
| Accounting for Branches and Departments | 3 | Accounting for Holding Companies | 3 |
| Accounting for Shareholding Companies (2004) * | 3 | Advanced Cost Accounting | 3 |
| Cost Accounting | 4 | Introduction in International Accounting (2004)*** | 2 |
| Taxation Accounting | 3 | Studies in Accounting | 3 |
| Oil Accounting | 2 | | |
| Accounting for Banking and Insurance firms | 3 | | |
| Financial Statements Analysis (2004) * | 3 | | |
| Governmental Accounting | 2 | | |
| Management Accounting | 3 | Total Hours | 19 |
| Auditing | 4 | | |
| Design of Accounting Systems | 3 | | |
| | | | |
| Total Hours | 42 | | |
| | | | |
| (iii) Non-specialised: | | | |
| Commercial Law | 3 | | |
| Microeconomics Analysis 1 | 3 | | |
| Management of Production Processes | 3 | | |
| Fundamentals of Financial Management | 3 | | |
| Operations Research | 3 | | |
| | | | |
| Total Hours | 15 | | |
| | | | |
| Total Compulsory Hours | 115 | Total Required Hours | 130 |

Source: The Accounting Programme courses description, 2011, University of Benghazi, Libya.

Note: This table shows the compulsory and elective courses that a student has to take to graduate.

* Courses became compulsory in 2004.

** Course created in 2004.

*** Courses created in 2008.

The findings of this section show that the undergraduate accounting programme curriculum has been a result of normative and mimetic pressures from the British accounting education curriculum in 1950s, 1960s and early 1970s and the American accounting education curriculum since 1976 which has become institutionalised ever since. However, this has resulted from the coercive pressure that has emanated from the historical and political situation in Libya, which the undergraduate accounting programme at UB have embedded, constraining the development of the accounting curriculum in 1980s and 1990s and 2000s. UB is dependent on the Libyan government and the Ministry of Higher Education for financing and accreditation; hence it has to conform to their politically-driven instructions and decisions which impacts on accounting lecturers' professional development through the elimination of the English language, the considerable reduction in the number of students sent abroad, restrictions on attending conferences, or from subscriptions in scientific journals leaving little chance for them to follow the developments in accounting internationally. The elimination of the English language also affected the ability of the new generation of Libyan lecturers to update their knowledge as well as the students of the programme. However, the findings also reveal that political changes after 2004 have resulted in improvements in the ability of lecturers to be aware of new developments such as access to internet and databases, yet an embedded lack of English language proficiency has prevented younger lecturers or students from benefiting from such tools.

Thus the coercive pressure from political situation has contradicted the professional academic logic of the actors (accounting lecturers) that inform their actions. The findings reveal that accounting lecturers are limited in improving the curriculum and syllabus development and are only aware of new developments locally, which has led them to introduce only slight changes in the curriculum structure, but since 2004 have responded to

changes in the business environment after Libya's opening up politically, causing changes in the economic activity of the country.

The next section investigates the influence of the political intervention of the Libyan regime on accounting education curriculum development at UB.

6.4 Political Influence

TFHES (2000) suggests that the excessive influence of political parties, governments, or short-term political developments hinders higher education systems within which accounting education programmes are situated.

Since the adoption of an American orientated curriculum in 1976, responsibility for the accounting programme courses has been shared between the accounting department, FE and UB. According to the educational policy of FE, from UB documents, the accounting department prepares the curriculum of the accounting programme every year. However, the accounting department at UB is not totally autonomous in the design of the accounting curriculum as some interviewees stated that accounting department lecturers had proposed changes to the curriculum many times, but that proposed changes often took a long time, and even though it was possible to submit a written request or proposal to the accounting department asking for permission to add a new course or a subject, it took a long time to get approval, as any change to the syllabus needed the permission of the accounting department and then the general administration of FE and finally the general administration of UB. This ultimately minimised the positive affect of any change as it was often implemented far too late. In this regard, interviewee A3 stated that:

“Such a process [approval] is long and slow. We need to be responsive to new developments that become very important in the Libyan business environment such as the Islamic accounting in Libyan banks, financial solvency, risk management and IFRS.”

According to some of the interviewees such a situation had created a considerable amount of frustration among lecturers as interviewee A4 commented “I think the department itself cannot do anything on its own unless the faculty and the university support it”. Interviewee A1 also stated that:

“We still have a lot of other problems, for instance, the top down approach such as regulations, faculty... And if we need anything, it will take a lot of routine and paperwork... We need to develop our syllabus but the fact that we do not have even the opportunity to talk about these problems... The department here is helpless.”

The interviewees argued that this was due to the instability of the management of FE and UB, which was due to the political interference exerted by the Libyan government in the appointment of the chancellor of UB and the deans of its faculties since 1976. In this regard, interviewee A1 stated:

“To be honest, we do not have the best academic environment in the university, the university administration, and policy and faculty management often change.”

Interviewee A3 also commented:

“I emphasise that stability of the management of the university is significant to the development of accounting education in our department.”

The interviewees also noted that politically motivated decisions came from the government, and sometimes even from Gaddafi’s office, prior to the 2011 revolution, which chose the heads and deans of universities and faculties through the General People’s Committee of Education and Scientific Research (Ministry of Higher Education) and the university had no authority to even suggest candidates for these positions. This practise was put in place to implement close control on UB and other universities and eliminate any

opposition to Gaddafi's monopoly of power as mentioned in Section 6.2. For example, the interviewees stated that the Ministry of Higher Education has responsibility for organising governance and most often the selection went to those who were committed to Gaddafi's ideology. For UB there have been a lot of changes in chancellors in the last 30 years. For example, interviewees A1 and A3 indicated that in 2006, a new Chancellor of UB was appointed by the Libyan government; this person was working as minister of planning at that time and was a member of staff at UB, and his appointment was considered as an attempt to bring reforms to UB but this person was changed in 2008; the new person was brought from outside UB and was without even consultation from the Ministry of Higher Education or UB management, until he was removed after the 17th February 2011 revolution³³. Thus, politics in Libya influences UB, and interviewee A3 admitted that "it is hard to keep it out"³⁴. Interviewee A1 stated:

"The process [appointment of chancellor] has been totally in the hands of General Committee of Higher Education and Scientific Research [Ministry of Higher Education]."

Interviewee A7 expressed his frustration "I have never been consulted on the university's governance matters". With regard to FE, according to the interviewees, in the last 16 years the Dean had changed seven times which meant a new dean almost every two years; each dean was appointed based on their loyalty to Gaddafi's ideology and their personal and social contacts and relationships through their actor networks. This top down administrative approach has created a gap between the general administration of UB, its faculties, departments and the lecturers, which has led to little collaboration and no enthusiasm to work together and has reduced the effectiveness of the management of FE

³³ This has changed since the interviews were conducted in January 2011, as after the 17th February revolution that led to the fall of Gaddafi regime, the chancellor and the deans of the faculties of UB are now appointed through a consultation between the academics of UB and the Ministry of Higher Education and Scientific Research in Libya.

³⁴ It is important to note that case study was conducted in January 2011 when Libya was still led by Gaddafi which made it very difficult for interviewees to speak freely about the influence of Gaddafi on UB as this might expose them to accusations of being in opposition to Gaddafi and might lead them to being prisoned.

and UB. Interviewee A5 pointed out the lack of a co-operative academic environment to support the educational process in FE and UB:

“We are just instructors... You will never feel more than that... The university has not that sort of atmosphere.”

Interviewees also noted the conflict of interests that were sometimes generated from the lack of coordination between the head of the accounting department, the dean of FE and the chancellor of UB. Interviewee A3 stated that:

“Among other things...the previous head of the accounting department resigned in 2006 as result of the appointment of new accounting lecturers by the chancellor of the university without consulting him.”

Further, the instability of the management of UB and FE might have prevented them from developing an effective policy that could make the accounting syllabus more up-to-date and relevant to the real business environment. The interviewees reported that there was no policy in the accounting department, FE or UB to assist lecturers in being up-to-date with new developments in the accounting field and business environment that they could integrate in their syllabus. Interviewee A7 noted that:

“There is no policy within the accounting department directed to help in this issue. Therefore, each and every lecturer uses his/her way to be aware of the new developments in the political, economic and business environment nationally and globally.”

This has led lecturers to depend on their limited personal financial resources to attempt to develop them. Five interviewees (A1, A3, A4, A6 and A9) claimed that the discretion and enthusiasm and experience of the lecturer were very important in the review and update of the content of syllabus of the courses as there was not a process at the department level. For example, interviewee A4 pointed out:

“Most of the updates come up from the personal ideas of the lecturers of the courses which are presented to the department for authorization.”

Interviewee A4 confirmed this point:

“Personal initiatives of the lecturer have become a major factor in the syllabus development process because since the beginning there was no systematic institutional development process in the accounting department.”

In this regard, interviewee A1 added that:

“The other thing is the experience of the lecturer and his desire and diligence to modernise the syllabus.”

The interviewees were aware of the importance of being exposed to new developments in accounting and in the business environment for the review and update of the syllabus. They stressed that it was essential that lecturers be familiar with recent developments locally and internationally. They stated that this would enhance the quality of the educational process in general and help to make the accounting syllabus more up-to-date and relevant to the real world business environment. For example, interviewee A9 noted that:

“It is an important part of the educational process that lecturers recognise the local developments in Libya. There are new Laws and legislations were issued in Libya the recent years, such as the new Law on Banks, the corporate governance guideline issued by the Central Bank of Libya and the new commercial code.”

As the interviewees reported, most of the updates depended on their practical experience that helped them to be aware of developments and many of them worked at the same time in different positions in state and private organisations as auditors, professional accountants, and members of committees. As shown in Tables 5.1 in chapter 5, most of the lecturers interviewed were members of the LAAA and had experience in accounting practice. The reading of Libyan journals and periodicals, which are very few, were also considered as a source; some lecturers even reported that they only became acquainted with new developments when they reviewed master students’ theses.

The overall finding of this section shows that the political situation in Libya has impacted on the accounting curriculum and syllabus development. Political intervention has had an impact on UB and FE that has prevented the development, review and update of the curriculum. The external intervention of the Libyan government on UB and FE affairs has resulted in a dysfunctional academic environment that has prevented change in the curriculum despite individual initiatives and the practical experience of academic staff.

This result is consistent with studies on the effect of politics on higher education in other developing countries (Kotecha, 1999; Bjarason and Lund, 1999; TFHES, 2000; Kirby-Harris, 2003; Teferra and Altbach, 2004; Xiaoyang, 2004) that report political intervention in higher education institutions' management creates a conflict between the governments' interests and the universities' desires to be autonomous. TFHES (2000) report indicates that in developing countries the direct intervention of politicians has a negative effect upon the educational process as the autonomy of educational institutions has decreased and higher education has become politicised broadening the likelihood for nepotism, corruption, and political opportunism. Some actors (lecturers) in UB have built up networks based on their loyalty to Gaddafi and used those networks to take up senior positions in FE and UB regardless of their competence.

In addition, case studies in African countries of higher education show the adverse effect of government control (Bjarason and Lund, 1999; Kirby-Harris, 2003; Teferra and Altbach, 2004) whereby governments have taken the responsibility to appoint and discharge Vice-Chancellors and, in some cases, deans and heads of departments have been replaced with a shift in the government (Bjarason and Lund, 1999; TFHES, 2000; Kirby-Harris, 2003; Teferra and Altbach, 2004).

This is consistent with the situation at UB where, since 1976, Gaddafi's regime has ensured that, as UB and other universities could threaten his monopoly of power in Libya, he instructed the Libyan government to intervene which has adversely influenced the educational process including accounting education development.

Thus, accounting education at UB is subject to coercive influence as UB is totally dependent on the Libyan government for its accreditation and funding and hence has to conform to the Libyan government's decisions such as on the appointment of key personnel. However, it seems that this pressure conflicts with the professional academic logic of research and keeping abreast with developments which creates a dysfunctional academic environment at UB and hinders the development of the accounting curriculum. The way in which the appointment of Chancellors and Deans at UB has been carried out challenges the autonomy of a professionally based organisation such as UB to manage its internal administrative and educational matters, and conflicts with the professional self-image of its academics. Internalised professional norms of accounting academics at UB conflict with the administrative systems and authoritarian regulations. Academics at UB were critical of intervention from the Libyan government to control university affairs and be used as a tool for Gaddafi's thoughts and support his monopoly of power. The contradiction between coercive pressure and professional academic logic has led to the emergence of an organisational logic of no resistance to the political regime's intervention from academics at UB, as the interviewees knew that they had no input in to how the university should be managed and who should manage it leading to a lack of commitment and co-operation. Thus there is an embedded organisational logic of disappointment and indifference as politics and coercive isomorphism have transcended individual lecturers' initiatives and efforts to develop the accounting curriculum. This has prevented accounting academics from making innovative changes to improve the quality of education offered to

students. The next section focuses on the influence of government funding on accounting curriculum development.

6.5 Influence of Funding on Accounting Curriculum Development

The first impression of the researcher when he first visited UB campus was that there were a lot of old buildings that needed modernising including FE's building in which the accounting department is located. In addition, the researcher noted that lecture rooms have no white boards and no overhead projectors and lecturers still use black boards and chalk. These buildings, including the one of FE, lack appropriate public facilities that lecturers and student need such as toilets which are in bad condition. The researcher also observed whilst walking around and meeting people that when they are not in lectures, students are most of the time are corridors of the faculties or outside because there is no decent library, students union building or decent cafes within the campus. This was also true for the main library of UB which had been closed for more than two years and, when asked, the researcher was told that it had been undergoing maintenance for more than two years.

Traditionally, central governments provide the majority of public higher education financing which means instability of funding, depending on the fluctuation of government resources, adversely influencing teaching and research (TFHES, 2000). As mentioned earlier in this chapter, UB is totally dependent on the funds allocated to it by the Libyan government, including the payment of the salaries of academics. This dependency has influenced UB teaching and learning activities including the accounting education curriculum especially in three areas: the lack of a well-equipped library and textbooks and reference material; the low salaries paid to lecturers; and the lack of research.

6.5.1 Library, Textbooks and Reference Material

The majority of interviewees claimed that the severe shortage of financial resources allocated by the Libyan government to UB had influenced their ability to review and update the accounting syllabus because of lack of funds allocated to the library (interviewees A1, A2, A3, A4, A6, A8 and A9). UB had a lack of up-to-date textbooks, scientific periodicals and journals which negatively influenced their ability to update the syllabus as they reported that they depended largely on textbooks. For example, interviewee A2 reported that:

“Most of our work is based on the textbooks, I mean, in certain years if there is a recommended textbook and then an updated and more developed textbook came out, but is still committed to the roots of accounting and not outside the general framework, we adopt it.”

Interviewee A1 confirmed this view:

“In short, updates are made through the textbooks that are based on the updates that occur within the field of accounting and accounting profession.”

An inspection of the list of recommended textbooks reveals that most of them are older than five years and some of them are even ten, twenty and thirty years old. Some of these textbooks were written by the accounting lecturers in the accounting department at UB such as: principles of accounting (1) and (2), intermediate accounting (1) and (2); and auditing textbooks; the other textbooks used were written in other Arab countries, mainly Egypt and Lebanon. At the same time, some lecturers reported that they used western textbooks along with Libyan or Arab textbooks to develop their course's syllabus but this was limited to the lecturers who knew the English language. These foreign authored textbooks were also meant for an environment that was completely different from the Libyan business environment. In this regard, Interviewee A8 noted that textbooks in the library of UB were old and added:

“This problem [lack of textbooks] is an old one...since my appointment in the department I had to depend on myself to find the appropriate textbooks which many times, even in the market, I could not find the right one.”

Interviewee A1 added that:

“Only a few years ago the library started to send us forms to fill out for the textbooks that we needed but none of these textbooks were bought for the library of the university.”

The lack of up-to-date textbooks and journals was witnessed by the researcher, who visited the library of UB to view the reference materials in the library and found that most of the accounting references were old Libyan or Arab textbooks or other old English periodicals and textbooks. This situation might have led to the topics being taught by the lecturers in the accounting syllabus being outdated and obsolete. Specifically, in subject areas such as accounting, management and finance new concepts develop rapidly. Some of them have become very important to accountants for performing their functions more efficiently. In addition, some of these new concepts may be not be immediately applicable to organisations in Libya, yet, the understanding of these new developments can pave the way for Libyan accountants at least to look for new ways of increasing the effectiveness of their operations³⁵. In this regard, interviewee A3 stated:

“...in general, organisations within the job market need knowledgeable graduates; they do not have time to train them...unless we provide Libyan students with up-to-date knowledge about important issues such as insolvencies, Islamic banking, Islamic insurance, risk management and IFRS that are gaining growing importance in Libyan business context, our students will not compete either in Libyan job market or in other countries as organisations certainly prefer to recruit well-rounded applicants.”

Thus, it is very important for Libyan accounting graduates to be familiar with developments taking place in their profession around the world.

³⁵ Business organisations in developing countries, including Libya, cannot function any more in isolation because they also face increasing competitiveness in a global market (Ahmad and Gao, 2004; Awayiga et al., 2010). Therefore, they must be cost efficient, quality oriented, and innovative.

This problem is not only found at UB or in Libya, as prior studies in developing countries also report a lack of appropriate material to teach accounting such as textbooks and journals as a result of the lack of financial resources (UNCTAD, 1993; Akathaporn et al., 1993; Radoki, 1996; Magembe et al., 1999; Dima, 2003; Gallhofer et al., 2009; Bobe and Mihret, 2011; Nassar et al., 2013).

These findings show that coercive isomorphic pressure has emanated from a lack of funding allocated by the Libyan government to UB that has affected the development of the syllabus as accounting lecturers at UB are prevented from finding appropriate and up-to-date textbooks library and referencing material that can assist them in developing relevant accounting syllabus.

6.5.2 Low Salaries of Lecturers

Another factor of a higher education programme's success in developing an appropriate curriculum is the commitment of the lecturers and their presence and availability to students and colleagues (TFHES, 2000). However, in this case study most of the accounting lecturers at UB work part time, either teaching at several other institutions, or working in accounting practices and state and private and public organisations. The interviewees noted that the low salaries of university lecturers encouraged them to take on extra teaching and work in second jobs to increase their income. They reported that their salaries had always been low, even after 2003 when the Libyan government increased the salaries of university lecturers. They argued that such an increase was not enough and that salaries were still too low. As interviewee A1 stated:

“Yes the government has raised the salaries of the university lecturers in general, but this was associated with inflation in goods and other services prices in the country as result of the withdrawal of government support for these goods.”

Therefore, this increase in salaries did not change the situation greatly as most of the lecturers still had to take extra teaching loads in other institutions and work in other jobs³⁶.

However, the interviewees reported that there was a difference between the older and younger lecturers³⁷ in the type of second job that they had. Most of the younger lecturers taught in the other branches of UB in other cities such as Jalo, Ajdabyia, Sloug, Agoria and Al-Marj and the south eastern city of Al-Kufra and in other higher institutions in Benghazi as a result of the scarcity of accounting lecturers in Libya, as interviewee A7 stated:

“Those faculties were created by the Libyan government to accommodate the growing number of students in the eastern cities of Libya as the main campus of the university could not absorb such high numbers. However, there were no appropriate resources put in place, particularly human resources, therefore they often ask lecturers from the accounting department in Benghazi to assist in the teaching of the accounting courses.”

In this regard, interviewee A4 also commented:

“There is an expansion of accounting education in the country. The number of accounting programmes in the country has increased considerably, but there is an insufficient number of lecturers to teach in those programmes.”

In contrast, the older accounting lecturers, who are expected to lead research activities, work in positions such as auditors, accountants and consultants in public enterprises and private companies and accounting practices. Interviewee A8 was one of the few who only work in academia and he stated:

“This practice [second job out of academia] is not applicable to all our staff. If we look carefully to the accounting department lecturers we will find out that most of older lecturers are the ones who have second jobs where many of us [younger lecturers] are only working in teaching.”

Some of the older lecturers (A2, A3, A5 and A7) attributed accounting lecturers occupying a second job to the shortage of qualified professional accountants in Libya and low salaries.

³⁶ This practise is also widespread among other Libyan public sector workers due to the low national minimum wage (Bertelsmann Transformation Index, 2010).

³⁷ Older lecturers refer to those joined the department in the 1970s and 1980s, where younger lecturers refer to those lecturers join the department in 1990s and 2000s and were mainly graduated from UB.

They reported that there was a shortage of qualified accountants which worsened after the imposition of US sanctions and the UN embargo on Libya during the 1980s and 1990s. They reported that this led them, as accounting lecturers in the only accounting department in Libya until 1985, to stand in to fill the gap by working as professional accountants and consultants to Libyan enterprises. Interviewee A2 noted that:

“Generally, public sector salaries were very low and we had a lot of responsibilities to meet...due to the political situation the Libyan economy was very much in need of experts in every field including accountants.”

The interviewees also reported that PhD holders (both younger and older lecturers) teach and supervise the students of accounting masters programmes in the accounting department at UB and in other higher education institutions such as the Academy of Higher Studies in Benghazi. The workload is such that if lecturers are not in the class then they are preparing for the next class, marking students' exams papers or working in their second job. The researcher observed this whilst, as most of the lecturers in the accounting department only came in at the time of their lecture or to mark assignments or exams and afterwards left the university to go to their second job or to teach in other institutions. This suggests that most accounting lecturers work in their second jobs and are busy, leaving limited time to devote to preparing new syllabi, conducting research or seeing students. This suggests that the situation at UB has not progressed since the AAA's Committee on Accounting in Developing Countries (1975) and accords with the findings in other developing countries (Novin and Baker, 1990; Devlin and Godfrey, 1998; Tarp, 1993; Khasharmeh, 1995; Dima, 2003; Bobe and Mihret, 2011; Abiodun, 2012; Nassar et al., 2013).

The findings indicate that coercive pressure, stemming from low salaries paid by Libyan government affects accounting syllabus development in accordance with DiMaggio and Powell (1991) who argue that organisations vulnerability to coercive pressures increases

where there is financial dependency and centralised resources with limited choice. For UB, the salaries of lecturers are set by the Libyan government and the low pay of lecturers through time has encouraged the emergence of the organisational logic of working in a second job which has become accepted as an institutionalised practice among accounting lecturers (Old and New) in UB. The second job organisational logic prevails among accounting lecturers despite it contradicting with the professional academic logic that accounting lecturers be committed to their academic jobs and devote time to research; this has adversely impacted on the development of the accounting syllabus.

6.5.3 Lack of Research

Taken together, the lack of adequate financial resources for the library and low salaries contributes to a lack of research activity at UB, which is important to improve the quality of the syllabus taught to students (Bedford Committee, 1986; Demski and Zimmerman, 2000; Albrecht and Sack, 2000; Costigan, 2002; IFAC, 2008; Pathways Commission, 2012). Interviewee A3 expressed his frustration with the lack of resources allocated to research activities at UB, when he stated that:

“The university does not encourage research activities; they spend resources in issues that are less important than research ...if we want to develop our syllabus we need to do research first.”

In this regard, interviewee A6 remarked:

“I think one of the most significant difficulties that stand in the way of attention to scientific research is that the focus of most of the academic staff is on the teaching aspects of the educational process.”

Interviewee A5 also expressed that the best way to improve the quality of the syllabus was through research and allowing lecturers to attend conferences abroad, although he admitted that it was very difficult to gain funds to attend such conferences from UB. Interviewee A4 expressed his disappointment of this situation and stated:

“I hope that there will be avenues for Libyan academics to develop themselves, and have the opportunity to network with other academics to get acquainted with new developments occurring in the rest of the world...for example, agreements could be signed between Libyan universities and other universities in other countries to assist Libyan academics in updating their knowledge and developing new skills.”

The researcher also observed whilst walking around and meeting people that the offices of lecturers were not even equipped with computers or decent furniture to give lecturers an appropriate environment to conduct research activities. This was also true for the main library of UB which had been closed for more than two years and, when asked, the researcher was told that it had been undergoing maintenance for more than two years. The researcher then visited the substitute library and found an old building with very little space and a limited number of desks for use by students and lecturers, with no internet connection or computers to use. This lack of facilities for the staff in the accounting department has resulted in very little research on what is appropriate and relevant to the accounting environment in Libya and hence accounting education is not being driven by what is needed by business. This also limits the level of knowledge imparted to students and restricts the students' ability to access existing knowledge and generate new ideas. This accords with Ahmad and Gao (2004) who note that the lack of research at university accounting departments in Libya is a major problem that hinders the development of a relevant accounting curriculum.

Moreover, the inability to pursue research by accounting lecturers at UB prevents them from networking at conferences with other academics or with business, which leads to a knowledge gap between accounting lecturers at UB and rest of the world. Hence, the opportunity for normative isomorphism influence is limited and actor networks do not exist.

The overall findings of Section 6.5 indicates that the dependency of UB on funds from the Libyan government has impacted on the accounting curriculum development as it is constrained by whom it depends upon for its resources (DiMaggio and Powell, 1991; Greenwood et al., 2008; Dcramer et al., 2012). It appears that the accounting curriculum at UB is driven by coercive pressure from the lack of funding allocated by Libyan government. Hence, through exo-isomorphic coercive pressure (Jackall, 2010; Souataris et al., 2012) the embedded and dominant organisational logic has become that accounting lecturers have second jobs. Through time, these practices and norms have been accepted by the new lecturers without any serious questioning becoming a taken for granted practice (DiMaggio and Powell, 1991; Townley, 1997; Mizuch and Fein, 1999; Tuttle and Dillard 2006). Accounting lecturers at UB have become insensitive to the normative professional academic logic because of coercive pressures of government funding causing low salaries and the inadequate financial resources for the library preventing accounting lecturers from finding up-to-date textbooks, journals and periodicals to prepare and develop an up-to-date accounting syllabus. Additionally, there is little time to do research which could enable the syllabus to be updated. The embedded logic is that teaching in other institutions and having a second job is beneficial for their financial prospects, whereas research and other teaching priorities are irrelevant. In addition, the lack of funding feeds the lore that research is not important, these practices once established have become institutionalised and are continually reproduced by the actors (accounting lecturers) who use established practice as the means to legitimise and promote their own behaviour. Thus, the hiring of staff from their own undergraduate programmes embed this logic further, they thus view problems in a similar fashion, and see the same policies, procedures, and structures as normatively sanctioned and legitimated (DiMaggio and Powell, 1991). All accounting lecturers at UB are recruited exclusively as graduates of the accounting department at UB and have been taught by the older lecturers, which encourages new lecturers to accept the already

institutionalised practice of having a second job as a legitimate practice (DiMaggio, 1988; Tuttle and Dillard 2006). The following section investigates these same influences on how the accounting syllabus is taught rather than how the syllabus is developed.

6.6 Teaching Methods Used in the Undergraduate Accounting Programme

For the teaching of the accounting syllabus all the interviewees reported that the main delivery method for teaching in the accounting department was formal lectures and tutorials. The aim of lectures was to introduce and explain the theory and philosophy of the subject and give practical examples to the students as noted by interviewee A7 who reported:

“In the majority of our courses we rely on the textbooks and formal lecture to explain the theoretical and philosophical sides, as well as giving some exercises.”

Three interviewees (A1, A7 and A9) made some effort to make lectures as interactive as possible. These three stated that they engaged students in activities within the class, as interviewee A1 pointed out:

“Although the lecture is the main teaching method, I also encourage students to participate in working out exercises in the class room and perform mini quizzes.”

The tutorials were used to give students a chance to work out examples and exercises with the help of the teaching assistants. The interviewees also reported that students were asked to write working papers and assignments individually or in groups, although they were not used in all courses. Such activities were more often used in advanced courses such as research methods, design of accounting systems and financial analysis, as interviewee A9 noted:

“In some advanced courses students do working papers and field research either alone or as groups.”

This shows that the accounting programme syllabus is delivered through traditional teaching methods of formal lectures and tutorials. These are teacher-centred teaching methods which might be inadequate for achieving the goals of enhancing students' knowledge and skills base, or other positive student-learning outcomes. This result is consistent with many studies conducted in developed and developing countries that find lectures and tutorials are the main teaching methods used by accounting educators (Brown and Guilding, 1993; Albrecht and Sack, 2000; Magembe et al., 1999; Crawford et al., 2010).

This finding is not in line with the call for more innovative teaching techniques in accounting to enable students meet the latest developments in the business environment such as an increased use of technology, and complex accounting practices (Bedford Committee, 1986; AECC, 1990; Adler, 1999; Albrecht and Sack, 2000; Gammie et al., 2002; Howieson, 2003; IFAC, 2008; Boyce et al., 2012; Helliard, 2013). Thus accounting lecturers at UB do not use teaching methods such as case studies, small-group discussions, internships, team work, oral presentations, involving business professionals in the classroom, and use of technology. Accounting education in Libya should provide students with the opportunity to develop relevant knowledge and skills through the use of effective teaching methods. These competences are important for Libyan graduates' job prospects as, in the governmental sector or the growing private sector; accountants are expected to play a broad role that requires them to possess wide-range of knowledge and skills. To examine this further, an analysis of the interviews and the observations of lecturers' teaching in classes are covered in the next sections.

6.6.1 Lecturers' Teaching Methods

Four interviewees (A3, A5, A6 and A7) stated that the nature of accounting subjects determined the teaching methods that they used. In this regard, interviewee A7 noted:

“Teaching methods are determined by the nature of the course, for example you cannot ask students to write assignments or research in the course of intermediate accounting.”

This reflected the belief of the lecturer of how teaching and learning should be conducted. The older generation lecturers (such as A7) have been using traditional methods of teaching and assessment for a long time with a teacher-centred perspective, ignoring modern teaching methods such as case study and small-group-discussions. For example, some of these older lecturers argued that formal exams are the only fair method to evaluate students because, as interviewee A3 with 20 years of teaching experience claimed:

“There is no better way to assess students than exams because the exam is more objective than any other assessment method³⁸.”

These beliefs and perspectives have not changed or developed because of being in a closed network of actors where new ideas are not discussed and no normative isomorphic processes occur. Moreover, these older generation lecturers influence the activities of the accounting department because of their seniority and affect the newer generation of lecturers who do not adopt other teaching strategies as they have been taught by the older lectures in both their undergraduate and masters' degrees. Moreover, these younger lecturers have a limited ability to seek out new methods as a result of no up-to-date materials and their lack of English skills as discussed earlier and as interviewee A8 stated:

“When we [younger lecturers] came to the department we found certain syllabus and teaching methods used and we just follow them.”

³⁸ Assessment methods used in the accounting department at UB were not examined but the researcher did not find any evidence of pressure to pass students.

The finding of this section indicates that the teaching methods used in the accounting undergraduate programme are influenced by older accounting lecturers who influence their peers through training and socialising mechanisms which represents their institutional values (Leblanc and Shelton, 1997; Joyce and Showers, 1995; Mizruchi and Fein 1999; Tuttle and Dillard, 2007). Social networks and their common background experience having attended UB have produced a community of practice transferring the practices that older lectures had already learned and institutionalised. In addition, the lecturers assisted each other through their limited social networks which influenced their instructional methods reflecting mimetic endo-isomorphism across UB and FE. In the accounting department at UB, most of the lecturers have been taught as undergraduates and postgraduates in the accounting programme at UB and accordingly the relevance of teaching practices is not questioned and hence has become institutionalised. The next section investigates the influence of lack of funding on teaching methods used in the undergraduate accounting programme at UB.

6.6.2 Lack of Funding on Teaching Methods

Different teaching methods may require different teaching resources (Kadhim et al., 2012) and both educators and students are more likely to be motivated and achieve better learning outcomes with more resources for teaching and learning (Martin et al., 1989; Kadhim et al., 2012). Indeed, in this study seven interviewees (A1, A2, A3, A4, A5, A6 and A8) stated that the lack of accessible teaching resources, such as electronic presentation tools and computers, an electronic library, and library references within UB, was an important reason for their reliance on lectures as the main teaching method. For example, interviewee A1 stated that:

“...how can I ask students to do research or write an assignment with the lack of facilities such as good references in the library, an electronic library and internet access? We then put students in a difficult situation, thus, most of the time, I do not ask students to do research or working papers, rather I just explain in the lecture.”

In this regard, interviewee A6 added:

“Often teaching is done through lectures with the use of a blackboard. There is a lack of any other presentation tools such as power point. For example, we have only two classrooms with such facilities.”

Some of the interviewees also stressed the internet as a source of information was not possible as interviewee A5 noted:

“Sometimes we ask students to use the internet, but the internet is not available in the faculty. Also the English language skills of the students are weak, so I prefer sometimes not to ask for things they cannot do.”

Additionally, interviewees A4 and A9 argued that the time available during the semester did not allow lecturers adopt other teaching methods. Interviewee A4 stated that:

“The other factor is the available time, here I mean the daily hours available for teaching, where you cannot employ the full day due to the social circumstances of the students and logistic capabilities of the university.”

In the accounting programme each course is allocated one lecture a week in one semester which is used to explain the theoretical side of the syllabus and it lasts between 2 to 3 hours depending on the course. For some interviewees this is not enough time to include other teaching methods such as group working or student presentations. In addition, the allocation of more time might require the university to open at night as a result of a lack of class rooms and the need for more administrative staff but this would face cultural barriers as most female students would not be able to stay on at night at the university. Interviewee A6 pointed out:

“The Libyan government does not allocate a sufficient amount of money to university education in general.”

This finding supports previous studies in developing countries that show that severe shortages of appropriate teaching tools stops the effective teaching of accounting programmes (Akathaporn et al., 1993; Khasharmeh, 1995; Magembe et al., 1999; Gallhofer et al., 2009; Bobe and Mihret, 2011).

The insufficiency of financing for UB affects the accounting lecturers' abilities to introduce teaching methods that can enhance the development of generic skills in students. Thus, coercive isomorphism is exerted on UB by the government upon which it is dependent. Moreover, the shortage of funds to UB means that it cannot invest in maintaining and expanding its infrastructure. This in turn affects the teaching methods adopted by accounting lecturers at UB.

6.6.3 Number of Students

Six interviewees (A1, A2, A3, A4, A8, and A9) also argued that the large number of students in classes prevented them from introducing more interactive teaching methods, as interviewee A4 noted:

“Generally, teaching in the accounting department is done in the traditional way, student participation is still weak and I think the reason is because of the presence of a large number of students in the classroom so that does not allow any chance to adopt an alternative teaching method.”

In this regard, interviewee A1 remarked that:

“Of course, the population of Libya has grown rapidly and at the same time the Libyan government adopted a policy of encouraging students to join university, but sufficient resources are not allocated to universities to accommodate them.”

The high number of students in the accounting department can be attributed to the fact that this discipline is favoured over other disciplines, reflecting perceived job opportunities. For example, interviewee A1 stated:

“I believe that the majority of accounting students choose an accounting major because of their perception of getting a job after graduation, as the job market for accounting is larger than other business majors in Libya and hence you find about 49% of our faculty’s students specialise in accounting.”

Interviewee A7 also agreed with this view and stated:

“The logical thing is that individuals often attempt to enhance their economic positions. Therefore, their aim of studying the accounting programme is to increase their chance of obtaining an appropriate job with a reasonable income.”

However, only 54 accounting lecturers work in the accounting department with a student to staff ratio of 72:1. Interviewee A7 noted:

“The faculty [Economics] must accommodate a large number of students in the eastern region of Libya. The number of graduates of specialized secondary schools is increasing every year, and capacity is limited and the number of classrooms is still the same as it was 30 years ago.”

This is in agreement with the literature that shows that the problem of large numbers of students is a problem that accounting education at university level has encountered in developed and developing countries (Novien and Baker, 1990; UNCTAD, 1993; Gallhofer et al., 2009; Yapa and Pholkeo, 2012; Nassar et al., 2013; Evans et al., 2010).

The overall findings of Section 6.6 suggest that the teaching in the accounting programme is done through formal lectures and tutorials by transferring knowledge from lecturers to students with very little engagement of students in other activities. In this process, students are passive receivers of information with very little chance to develop skills that are necessary in today’s business environment in accordance with the literature (Gammie et al., 2002; Adler et al., 2004; Helliard et al., 2009). The findings reveal that the teaching methods used to deliver the accounting syllabus are affected by different institutional factors stemming from cultural and economic pressures that have induced endo-isomorphic normative teaching practices among accounting lecturers at UB. Moreover, different types

of isomorphism can, and often do, operate at any one time, although there may be times where one type is more predominant than others (Tuttle and Dillard 2006; Souitaris et al., 2012; Lepoutre and Valente, 2012). The findings show that the dominant institutional logic stems from the lack of financial resources that prevents buying and modernising educational facilities such as the library and appropriate classrooms as well as laptops, IT, and the internet resulting in a situation where it has become very difficult for lecturers to introduce interactive and innovative teaching methods that can improve the competencies needed in students. However, the teaching methods used today also are affected by older lecturers' traditional teaching methods. Thus, the coercive factor arising from underfunding of government and political regime is dominant in shaping the teaching practices in the undergraduate accounting programme at UB.

6.7 Summary

This chapter presents the research findings from the case study of the undergraduate accounting programme at UB. The findings show that the curriculum and syllabus today, as well as at the beginning of the undergraduate accounting programme in 1957, has been as a result of normative and mimetic pressures from British and US accounting education. To begin with most of the lecturers were British educated Egyptians and Syrians who transferred the British universities' accounting curriculum and syllabus to UB. The mimetic and normative isomorphism later changed towards American universities accounting curriculum and syllabus in 1976 as American educated Libyan lecturers brought this logic to FE hence the American universities' accounting curriculum and syllabus has been institutionalised ever since.

The findings show that this has arisen because of coercive isomorphism arising from the Libyan political context, political regime and lack of funding preventing any further

normative or mimetic isomorphism to occur. There is absence of an institutionalised periodic review and update of the curriculum and the content of the syllabus has become outdated and irrelevant to the needs of Libyan accounting students. Moreover, the findings indicate that the accounting syllabus at UB is delivered through traditional methods such as lecture and tutorials that are teacher-centred rather student orientated.

The findings also show contradictions between the logics that inform the actors' (accounting lecturers) actions. The professional academic logic of accounting lecturers that are motivated to develop and improve the accounting curriculum and teaching methods, contradicts the coercive institutional pressure which deviates from this logic resulting in low commitment, a second job and no conducting research to become the dominant embedded logic of accounting lecturers. Therefore, accounting lecturers' practices at UB are decoupled from normative practice.

The overall findings indicate that the embedded organisational logic emanating from coercive pressure has hindered the development of the curriculum and syllabus and has prevented the use of innovative teaching methods. These practices were established and have become now institutionalised and continually reproduced by the actors (accounting lecturers) who legitimise and promote their own behaviour which becomes embedded further.

An understanding of accounting education practices and the political pressure that affects UB, show that that the lack of up-to-date textbooks and referencing material is an important factor that has caused the decoupling of accounting education practices at UB from normative practice. Thus, the next chapter presents a study of textbooks using interviews with academics and a content analysis of Libyan accounting textbooks to

explore the institutional influence over the selection and use of accounting textbooks and references in Libyan universities.

Chapter 7: Accounting Textbooks Used in Libya

Chapter 7

Accounting Textbooks Used in Libya

7.1 Introduction

This chapter analyses textbooks used in Libya and presents the findings from interviews conducted with Libyan accounting academics and a content analysis performed on a sample of Libyan accounting textbooks recommended by Libyan universities' accounting departments (see Chapter 5 for details of the interviewees and the content analysis). The objective of this chapter is to seek confirmation to the findings of the previous chapter whereby the lack of current accounting textbooks adversely influences accounting education practices in Libyan universities. This is analysed by: (i) exploring the process of selection, review and use of textbooks by Libyan university academics in the area of accounting; and (ii) ascertaining the institutional factors that influence their selection, review, use and content in Libyan universities. This chapter is organised as follows. Section 7.2 explores the selection of accounting textbooks in Libyan accounting departments and the views of accounting lecturers on the institutional factors influencing their selection. Section 7.3 explores the review and change of accounting textbooks within Libyan accounting departments. Section 7.4 analyses the use and availability of supplementary materials. Section 7.5 examines the institutional factors that affect choice of the Libyan accounting textbooks. Section 7.6 reports and discusses the results of the content analysis and Section 7.7 summarises this chapter.

7.2 Selection of Accounting Textbooks

Textbook selection is a key preparatory activity among accounting educators (Ferguson et al., 2005). Interviewees were therefore asked about whether there was a process to select accounting textbooks in their university departments. All the interviewees reported that there was no systematic process of selecting accounting textbooks in their departments and

that the selection of textbooks was entirely at the hands of the lecturers of the courses, as interviewee AJ2 stated: “In our department lecturers are mainly responsible for selecting textbooks for their courses”. Further, interviewee AT1 reported that, after assigning courses to lecturers, the lecturers choose the textbooks to be used and recommended them to the students. Interviewee AZ1 reported the same practice of giving freedom to the lecturers but also to students to select textbooks and added that:

“I often leave it to the students freedom in the selection of the textbooks, for example, in the courses of principles of accounting and intermediate accounting, I recommend to the students five or six textbooks and leave it up to them to choose among those textbooks, because I believe most of the textbooks share similar subjects, however they differ in the style of presentation, where some of them are easy and simple and some others are difficult and complex to read.”

Interviewees AB1, AB2, AB3, AB4, AB5, AB6 and AB8, all from UB, reported that in most courses lecturers chose textbooks for their courses except in the principles of accounting and intermediate accounting courses. A large number of students attended these two courses which led to splitting the students into groups taught by different lecturers, thus the accounting department at UB selected the textbooks for those courses. These textbooks were authored by lecturers working in the accounting department at UB and therefore were available to students in the university library.

Nevertheless, most of the interviewees distinguished between the textbooks that they used as reference in preparing the syllabus and the textbooks that they recommended for their students to use. Interviewee AZ2 explained that:

“For me in most of my courses I prepare the syllabus from different Arab and western textbooks, helping me on my English language skills as I have studied in the UK, however, most of these textbooks are not available to the students in my university library, hence the students depend largely on the extracts and notes that I give them to photocopy³⁹.”

³⁹ This might be a breaching of the copy right of these textbooks; the Libyan Copyright Law No. 7 of 1984 governs the protection of Copyright and grants a protection for the lifetime of the author(s) plus 50 years after death.

In this regard, the majority of interviewees agreed (AT1, AZ2, AT2, AT3, AJ1, AB1, AB2, AB3, AB6 and AB7) and stated that the severe shortage of accounting textbooks in Libyan university libraries as well as bookshops forced lecturers to write extracts and notes from books that were not available to the students, either Arab textbooks or translated from English written textbooks, to read out to the students during the lecture or give them to the students to photo copy. The interviewed lecturers also reported that they often spent most of the time in the lecture writing on the blackboard using chalk to explain the examples and exercises to students, as well as reading out definitions and concepts for students to write down in their notes, because of the lack of textbooks and appropriate educational equipment such as Power Point. With regard to English written textbooks the weak English language skills of the Libyan students prevented them from using them. In this context, interviewee AZ2 reported that his university had a very limited selection of accounting textbooks and added that:

“For the principles and intermediate accounting courses there are only a few copies of two textbooks in the library of my university while for most of the advanced accounting courses either there are either no textbooks or there are a very limited number of textbooks for each course. For example, there is no single management accounting textbook in my university library therefore I have to look for textbooks personally and write extracts for students to photocopy.”

Interviewees AJ1 and AT2 noted that not all students could buy textbooks from bookshops because they were too poor. In this regard, interviewee A6 stated:

“In many cases we can not find the textbooks that we need in the university library...students also are forced to largely depend on notes and extracts we write.”

Interviewee AT2 also noted:

“...it is very difficult to ask students to buy textbooks as we know their financial status; therefore we still depend on notes and extracts.”

While acknowledging the shortage of up-to-date Arab textbooks and foreign textbooks, particularly American and British, interviewee AB4 criticised his Libyan accounting colleagues on their reliance on notes and extracts rather than letting students use the textbooks themselves. He went on and stated that, even on courses where textbooks were available in the library of the university and written by Libyan authors, some colleagues still preferred to use notes and extracts such as for intermediate accounting, taxation accounting and auditing. In this regard, interviewee AB6 argued that by relying on notes and extracts the desire of students to buy or use the textbooks was limited and made them depend only on those notes and extracts. Interviewee AB1 also stated:

“I noted that even when the textbook is available in the university library, students prefer notes and extracts from past years rather than using textbooks that are recommended.”

This might have educational consequences as such a limited knowledge of the subject and limited research skills in the students encourages just a surface approach to learning rather than a deep approach to learning (Marton and Saljo, 1976; Beattie et al., 1997; Gammie et al., 2002; Helliard et al., 2009).

The overall findings from this section reveal that accounting departments in Libyan universities do not have a systematic process of selecting accounting textbooks. The lecturers are mainly responsible for selecting their own textbooks. This suggests that there is a lack of any formal criteria or mentoring from Libyan universities on selection of textbooks. Notably, coercive pressure stemming from the lack of funding to universities by the Libyan government has caused a severe shortage of accounting textbooks in Libyan universities' libraries which has induced an informal normative practice of using notes and extracts to teach students (DiMaggio and Powell, 1991; Townley, 1997; Mizuchi and Fein, 1999; Tuttle and Dillard 2006; Greenwood et al., 2008). This has become an embedded organisational logic among actors (accounting lecturers) which has negative educational

consequences that do not encourage students to use textbooks or other material to read around the subject or obtain a deeper understanding of the topics. This finding also agrees with studies that report the negative influence of a shortage of accounting textbooks on the learning process in developing countries (Enthoven, 1981; Anyane-Ntow, 1992; Akathaporn et al., 1993; Magembe et al., 1999; Yap, 2000; Yapa et al., 2010). The next section further examines the factors influencing accounting lecturers' selection of accounting textbooks.

7.2.1 Factors Influencing Accounting Textbooks Selection

With regard to the factors that influence lecturers' choices of accounting textbooks, most interviewees felt that the content was of the utmost importance. As shown in Table 7.1, ten interviewees (AT1, AZ1, AZ2, AT2, AT4, AJ1, AJ2, AB6, AB7 and AB8) declared that the comprehensibility of the textbook was very important. Interviewee AZ2 felt that more than one factor influenced the choice of textbook, stating:

“...simplicity in the presentation of topics in textbooks varies from level to level. As we come to textbooks such as accounting principles, you find yourself dealing with novice students; therefore the most important factor is how simple is the presentation of the topics and the way these topics are dealt with... you find that some of the textbooks are easy and in a simple style to read, and can be comprehended easily by the students, while some other textbooks are complex, and this factor for me is the most important factor.”

In this regard, interviewee AZ1 felt that many textbooks contained very good material but their presentation was complex and hard to understand. He added that, for example, some textbooks did not suit Libyan students as these textbooks started with financial statements at the beginning of the textbook which is not appropriate for Libyan accounting students as they need time to understand the basics of accounting and then go further on to more advanced issues.

Six interviewees (AT2, AT3, AB2, AB3, AB6, and AB7) reported that the coverage of their courses' syllabi in the textbook was important in the selection of a textbook. Interviewee AT3 did not depend on one textbook in his courses, because he did not find any textbook that covered all the topics of the course. Therefore, when he chose a textbook, coverage of the topics in the syllabus was very significant. Four interviewees (AZ2, AT2, AB4, and AB5) viewed that being up-to-date with the topics covered in the textbooks was an important factor in the selection of a textbook. Interviewee A13 felt that "whenever the textbook covers topics that are modern and contain up-to-date information this affects the choice of the textbook". Interviewee AZ2 also agreed, adding that he chose textbooks based on "Modernity of the topics primarily, many textbooks contain a lot of information but they are old".

Table 7.1 Factors Influencing Textbooks Selection

| Factor | No of Interviewees |
|---|--------------------|
| Comprehensibility | 10 |
| Compatibility between textbook and syllabus | 6 |
| Modernity of the textbook information | 4 |
| The textbook addresses the Libyan environment | 4 |
| Availability of the textbook | 4 |
| Author(s) of the textbook | 2 |
| Reputation of the textbook | 1 |

Note: this table shows the interviewees' perceptions of the factors that influence their selection of accounting textbooks. The interviewees were asked to state the factors influencing the development, review and update of accounting syllabus. The researcher did not provide them with a pre-prepared list of those in the table.

Interestingly, only four interviewees (AT2, AT3, AJ1, and AJ2) stated that applicability to the Libyan environment in the textbook was a factor that influenced their selection of textbooks. Some interviewees argued that for principles of accounting and intermediate accounting courses the Libyan environment was not important as all textbooks either Libyan or from other countries, used the same accounting principles. Hence, this allowed

them to use textbooks from other countries such as Egypt, Jordan or western countries such as USA and UK without restriction. However, some interviewees such as AJ2 admitted that in some advanced courses, such as companies accounting, taxation accounting and auditing, using textbooks that addressed the Libyan environment were preferable. In this regard, interviewee AZ1 stated:

“I do not care about where the textbooks come from; rather I care about the material in the textbook and how much it can benefit the students.”

Interviewee AT2 preferred Libyan textbooks or textbooks that addressed the Libyan environment; however, he admitted that they are often not available.

The availability of textbooks was only mentioned by four interviewees (AB2, AB3, AB5 and AT4) as a factor that influenced textbooks selection. Generally, they felt that it was not reasonable to select a textbook that was not available in the library of the university or in the bookshops. Interviewee AB3 pointed out that it was important for him to check with the library of the university before he recommended any textbook to the students and interviewee AB2 stated that:

“...Its availability in the bookshops, as I cannot recommend a textbook to the students that is not available to buy.”

This may suggest that because of lecturers' use of extracts and notes and photocopies caused by the shortage of accounting textbooks in university library and bookshops, most lecturers do not consider the availability of textbooks as an important factor in the selection of the textbooks. Moreover, interviewees AB1 and AB5 attached significance to the name of the author(s) of the textbook. Interviewee AB1 argued that the name of the author gave confidence about the information contained in the textbook. He also felt that the reputation of the textbook among accounting lecturers influenced his selection of textbooks.

In addition, the interviewees were offered a list of factors extracted from the literature review and case study of Chapter 6 to comment on their influences on textbooks selection. As shown in Table 7.2, all the interviewees viewed that their selection of accounting textbooks was not influenced by the fact that the textbook was written in English. Despite the fact that 13 out of 17 (76%) interviewees knew English as they had studied abroad mainly in the UK and USA, most of them stated that they could not recommend English written textbooks to the students because of the lack of English language ability of students. Interviewee AZ1 stated “No, because students can not use them”. Interviewee AZ2 agreed with this view and added that it could be useful to a lecturer to review English written textbooks and then use them in preparing the syllabus. In this regard, interviewee A6 stated that he used English written textbooks to prepare his syllabus but that he had to translate some of the topics and write them in note form for the students to read. However, some interviewees indicated that not all Libyan lecturers knew the English language so therefore they could not use English written textbooks for preparing their courses, particularly those lecturers with masters degrees who had studied at Libyan universities or in Arab countries using only the Arabic language, such as interviewee AT3 and AT4, who had only studied in Libya, and pointed out their inability to use English textbooks in preparing syllabus because they were not proficient in English.

Among the English written textbooks, the majority of interviewees believed that the fact that a textbook was American or is used in American universities did not influence their selection of textbooks. In fact, ten interviewees did not think that it would make any difference if the textbook came from America. Interviewee AB5 stated that:

“I personally do not care where the textbook comes from; I only care about the quality of the content of the textbook”.

In contrast, five interviewees (AT2, AB1, AB3, AB4 and AB8) felt that the fact that the textbook was American would influence their selection of the textbooks. Interestingly, most of them (AB1, AB3, AB4 and AB8) had studied in the US and are now working for UB where the findings of the case study show that its syllabus is influenced by the American universities syllabus. They argued that American textbooks were more illustrative than any other English written textbooks. Interviewee AB4, who studied in the US, went on and said that:

“I prefer American textbooks, as there is a good overlap and discussion of the topics in them. Moreover, our syllabi, generally, are American and topics are related to each other; you might find it difficult to be consistent if you decide to use anything other than American textbooks.”

In addition, none of the interviewees thought that UK textbooks influenced their selection of the textbooks and interviewee AZ2 argued that British accounting textbooks were less preferable in Libya especially for principles of financial accounting and intermediate accounting, because Libyan accounting lecturers had got used to American textbooks and most of the translated Libyan and Arabic accounting textbooks were American. In addition, the majority of the interviewees reported that the use of the textbook in UK Universities was not important in the selection of the textbooks. This reflects political coercive isomorphism that led to the elimination of English language from Libyan school leading to weak English language proficiency of Libyan students that has now prevented Libyan accounting lecturers from choosing English written accounting textbooks that contain up-to-date information about modern developments in the accounting field. It also indicates a normative influence of American accounting education on some lecturers especially from UB with their educational background in American universities.

Table 7.2 Factors Influencing Lecturers' Selection of Accounting Textbooks

| No | Factor | Important | Not important |
|----|--|-----------|---------------|
| 1 | The textbook is written in Arabic | 17 | 0 |
| 2 | The textbook is already in the university library | 17 | 0 |
| 3 | The textbook is from Libya | 17 | 0 |
| 4 | The textbook is available to buy from bookshops in Libya | 17 | 0 |
| 5 | The textbook is used in other Libyan universities | 13 | 4 |
| 6 | The textbook addresses the Libyan business context | 12 | 5 |
| 7 | Recommendations from other academics | 12 | 5 |
| 8 | The textbook is in other Libyan institution's libraries | 9 | 8 |
| 9 | The textbook is used in universities in other Arab countries | 9 | 8 |
| 10 | Author's nationality, qualifications and experience | 9 | 8 |
| 11 | The textbook is from an Arab country | 7 | 10 |
| 12 | The textbook is from the USA | 5 | 12 |
| 13 | The textbook is used in American universities | 5 | 12 |
| 14 | The textbook is cheap to buy | 3 | 14 |
| 15 | The textbook is used in UK universities | 3 | 14 |
| 16 | The textbook is written in English | 0 | 17 |
| 17 | The textbook is from UK | 0 | 17 |
| 18 | Student feedback on textbooks | 0 | 17 |

Note: this table shows the perceptions of interviewees about factors that influence their accounting textbooks selection. Interviewees were provided with a list of factors to comment on.

In contrast, all seventeen of the interviewees preferred Arabic written textbooks as using Arabic written textbooks made it easier for students to use them. For example, interviewee AT2 insisted that a textbook must be written in Arabic to be selected by him for any of his courses. However, some interviewees raised concerns about the quality and availability of Arabic accounting textbooks. For example, interviewee AJ1 argued that there was a lack of good Arab accounting textbooks; however, he admitted that there were some good textbooks published especially from Jordan.

Moreover, all the interviewees emphasised the importance to accounting textbooks being Libyan. Generally, most of them preferred Libyan accounting textbooks than any other accounting textbooks. The reasons given for that preference were trusting the authors of the textbooks as they are Libyans hence they know the needs of the Libyan students. Interviewee AT2 also preferred Libyan textbooks as he stated that “if I have the choice I will choose Libyan textbooks but my only obstacle is that these textbooks often lack up-to-date information”. Interviewee AB5 agreed with this view and added:

“We are sometimes forced to use Libyan accounting textbooks as in some courses such as, taxation accounting; oil accounting and governmental accounting the only textbooks available are the Libyan ones.”

In addition, as shown in Table 7.2, eleven interviewees stated that textbooks that addressed the Libyan business context influenced their selection of the textbooks. For example, interviewee AZ2 stated that “Libyan textbooks may be more useful as the writer may take account of the topics and considerations of the environment of Libya”. Most interviewees pointed out the lack of accounting textbooks that have been written for the Libyan business environment and raised the concern that most Libyan textbooks were out of date, as interviewee AJ2 noted:

“In reality, everyone knows that all Libyan universities libraries lack appropriate materials including textbooks, so we bitterly still in many courses rely on textbooks printed in the seventies and eighties”.

All the interviewees reported that the availability of textbooks in the library of the university influenced their textbook selection. Most of them reported that if the textbook existed in the library of the university that would inevitably affect their textbook selection as students could use the textbook. In this context, some interviewees insisted that in many time this affected the quality of the textbooks recommended to students as Libyan universities’ libraries often lacked good references. For example, interviewee AT1 stated:

“Many times lecturers are forced to accept the reality of a lack of textbooks and look for textbooks in personal ways to prepare the syllabus, however for students we are forced to recommend what we have in the library as students can use them even if they are old.”

This indicates that a lack of up-to-date Libyan textbooks has led lecturers to use and recommend out of date textbooks which may mean that their courses are not up-to-date, preventing Libyan accounting students from gaining up-to-date knowledge about the Libyan business environment or international developments.

Moreover, the interviewees were divided on the issue of the existence of the textbook in other Libyan institutions. Nine interviewees indicated that if the textbook was already used in other Libyan institutions they would be more likely to select a textbook. They argued that they could use these textbooks as well as ask students to use them and hence chose them for their courses. In contrast, eight interviewees stated that the use of textbooks in other Libyan institution would not affect their textbook selection as it might be difficult for students to get these textbooks, especially in some areas where there was a large distance between universities such as between Tripoli and Benghazi.

All the interviewees were in agreement that the availability of textbooks in the bookshops in Libya influenced their textbooks selection. Interviewee AB7 stated that “of course if the textbook is available to purchase from the bookshops I will recommend it to the students”. With regard to the prices of textbooks, only three interviewees stated that if the textbook was cheap it would affect their textbooks selection. Their reason was that low priced textbooks would allow students to buy them and help them pass them on to next year students. However, all three interviewees insisted that this should not conflict with the quality of the textbooks as some interviewees reported that sometimes their universities supported some textbooks by giving students a discount on the original prices. On the other

hand, eleven interviewees stated that the price of textbooks did not have any influence on their choices of textbooks and the quality of the textbook was of utmost importance. For example interviewee AB5 stated that:

“Price is not important to me, what is important is the content of the textbook as there are some low priced textbooks with very good quality content and at the same time there are some expensive textbooks with poor quality content”.

Ten interviewees reported that recommendations from other academics affected their textbooks selection especially senior academics’ opinions on the textbooks were important as they had more experience in using textbooks. In addition, other interviewees stated that lecturers could not be aware of all the textbooks available hence any advice from other lecturers was welcomed.

Eight interviewees reported that the author’s nationality, qualifications and experience influenced their textbooks selection as interviewee AZ2 stated:

“Without a doubt the nationality of the author affects my selection of the textbooks, for example I prefer Jordanian writers as they are simpler in the presentation and more up-to-date”.

Interviewee AB4 however thought that the nationality of the author was not as important as the qualifications of the author.

Interestingly, no interviewees thought that student feedback was important in the selection of the textbooks and most of the lecturers do not seek feedback from students. For example, interviewee AZ2 reported that he never asked for feedback from the students “I do not think students’ feedback will be better than the lecturer’s selection”.

The overall findings suggest that the content of the textbook is the most important factor that influences the selection of the accounting textbooks by Libyan accounting lecturers. In

particular, comprehensibility, readability, being up-to-date and coverage of the syllabus of the content of the textbooks are of great importance in the selection of the accounting textbooks. However, the findings indicate coercive pressures emanating from insufficient funding to libraries and lack of English language among Libyan students that affects lecturers' choices of accounting textbooks. These pressures seem to conflict with professional academic logic of actors (accounting lecturers) that motivated them to use and recommend up-to-date textbooks, preventing the recommendation of English written textbooks that often contain up-to-date information and lead them to use and recommend Arabic written textbook including Libyan textbooks that are available in the library or in the bookshops which are very little and old and irrelevant to the recent Libyan business environment. This may suggest that Libyan accounting students are not taught an up-to-date accounting syllabus that can allow them to make a positive contribution to society after graduation.

7.3 Review and Change of Accounting Textbooks

The interviewees' responses to questions regarding reviewing the textbooks that are used revealed that this was an area which depended very much on the individual and how they used the textbook. Some lecturers viewed textbooks as purely a reference tool whereas others viewed textbooks as dictating the course outline. For example, interviewee AZ1 stated that "I do not review textbooks, I gave the students a list of several textbooks and they choose the appropriate textbook for them". In contrast to this approach, others had chosen a certain textbook and always continued to use that same textbook. For example, interviewee AT1 indicated that he continued to use the same textbook until a new edition of the textbook came out. Interviewee AB4, was one of the authors of an intermediate accounting textbook, and claimed that:

"Normally every three years I try to review and update my textbook. I make students and lecturers know that there is a new edition of my textbook."

However, he went on to talk about his personal experience with publishing the textbook indicating coercive influence as UB has the copyright:

“However, the biggest obstacle to me is the delays in printing by the university. For example, in 2008 I updated and submitted the textbook for printing but so far the textbook has still not come out as the university printing house does not have the sufficient resources to print.”

Concerning the change of accounting textbooks, all the interviewees indicated that they tended to change their textbooks only when they found another textbook that had more up-to-date information that suited their course. Interviewee AT1 agreed with this view and held the view that most of the textbooks were similar in subject thus finding a more appropriate textbook to the course was the only reason that would make him change.

Further, interviewee AT1 stated that:

“For example, I need to change the cost accounting textbook that I use and recommend to students next year, because the textbook I use now does not contain all the topics that I teach in the cost accounting courses 1 and 2. Therefore, I am forced to change that textbook to another textbook that I feel is more inclusive.”

Other interviewees indicated that they did not change the textbook as they had a list of textbooks for each course. They constantly looked for new textbooks to use and when they found one, they added it to the list of the textbooks for the course. For example interviewee AZ1 stated that:

“I do not change textbooks rather when I find new textbook I add it to the list of my textbooks.”

However, all the interviewees indicated that they had to depend on themselves to be aware of new and alternative textbooks. They were dissatisfied with their universities arrangements for enabling lecturers to source new accounting textbooks. This in turn for some lecturers prevented them from knowing the latest published textbooks that they could adopt, such as interviewee AB6 who stated that:

“Frankly, in the last four years our university has been sending forms to us to fill in with the textbooks that we think are important to the students and we respond to them. However, most of these textbooks have not been bought for the university library, therefore as lecturers we are forced to use our personal ways to obtain textbooks that we can use ourselves.”

All the interviewees reported that general book fairs were the most important way for them to be aware of new textbooks. These books fairs, as the interviewees reported, were rarely held in Libya and if held most books at the fair were not satisfactory as interviewee AZ2 noted:

“In general, at the bachelor level I can say that most of the textbooks are repetitive and it is rare where you find a textbook that adds new topics. Further, on a personal level, and through my contact with some international books fairs where I was sent by the Academy of Higher Studies, I became acquainted with some of the publication companies that they now regularly send me emails about their new publications in the areas of accounting and finance.”

The internet was also mentioned by most of the interviewees as a medium that allowed them to know about new publications.

Libya has undergone dramatic political change in the last few years as a result of the 17th February 2011 revolution, and lecturers think this change might have some influence on the accounting textbooks used in the future. Some interviewees AB1, AB2, AZ1, AZ2, and AT3 indicated that political change in Libya would not have any impact on most of the accounting courses as most of these courses followed accounting principles which are universal. They pointed out that textbooks related to Libyan regulations, such as taxation accounting, governmental accounting and oil accounting, must be changed to be in line with changes in the political regime landscape as interviewee AB1 stated:

“I do not think the change of the political regime will influence accounting much as we are tied to international accounting principles, but there will be change in relation to courses that are related to the Libyan environment.”

Interviewee AZ2 stated that accordingly principles and intermediate accounting textbooks are based on the general accounting principles and will not have to be changed.

Interviewees AB1, AB2 and AB4 pointed out the positive educational consequences of political change in Libya and hoped that the new Libyan political regime would pay more attention to the education sector in general and university education in particular. They also argued that lecturers now had more freedom to touch on and discuss issues that were too sensitive in the previous political regime, as interviewee AB2 noted:

“...now we are freer in explaining many issues to the students. For example, I used to be frightened when I explained the budget of the Libyan state in the course of governmental accounting as I feared that someone from the revolutionary guard was monitoring me. However, now we have more comfort in explaining and touching on more subjects such as breaching the law and corruption.”

Further, interviewee AB4 stated that:

“Generally, I do not see any major change for accounting in Libya ... we are heading towards international standards, therefore local political changes have no relationship. On the contrary, the environment now might open up more and give us the chance to work freely. In the past there was a limitation on some thoughts that related to accounting and finance sciences, as in the past there was a limitation when you talked about views that contradicted with some of the views of the political regime in Libya, such as capitalism and privatisation, but now we can discuss and criticise these views. Now I think the change in the political situation will encourage us to open up more to the world.”

Overall, what emerges from this part of the discussion is that the review and change of accounting textbooks depends largely on the lecturers themselves. In addition, it seems this does not happen often among Libyan accounting lecturers, which might suggest that textbooks used by Libyan accounting lecturers do not get updated often enough to be in line with the changes in the business environment. The lecturers have limited chances to be aware of new publications in accounting. The findings also suggest that the recent political change in Libya may have a positive influence on accounting education in general and

accounting textbooks in particular. This will be especially more apparent in Libyan accounting textbooks that are specifically written for the Libyan business environment.

7.4 The Use and Availability of Supplementary Material

The use of supplementary material can allow deeper insights into a subject area allowing students to consider the subject from another perspective. However, this does not seem to be the case in Libyan accounting departments as most of the interviewees noted that there is almost no use of supplementary materials, such as journal articles and newspaper articles. The interviewees stated different reasons as to why they did not use supplementary materials in their courses. Thirteen interviewees (AZ1, AT2, AT3, AT4, AJ1, AJ3, AB1, AB2, AB3, AB3, AB5, AB6 and AB8) indicated that there was a shortage of the journals in library, as interviewee AB2 noted that:

“...if I find something related to the course I try to provide the students with it, but what restricts me is the government not allocating appropriate funding to the university to allow it to buy journals and periodicals for the library.”

This finding is in line with studies in developing countries that find a lack of library resources negatively affects accounting students' learning process (Akathaporn et al., 1993; Khasharmeh, 1995; Magembe et al., 1999; Gallhofer et al., 2009; Bobe and Mihret, 2011). This also indicates a political coercive isomorphism emanating from a lack of funding from the Libyan government to universities that influences accounting education which limits Libyan students' ability to view different perspectives about topics and enhance their research skills.

A further reason cited by three interviewees (AZ1, AJ1 and AB6) was the lack of interest and inquiry of Libyan students. They argued that Libyan students in their elementary and secondary education were taught in very traditional ways based on passing examinations using recall, and not learning and understanding, but applying ideas, creativity, and

questioning were all devalued in the education system. The teacher's role was largely to use textbooks to transmit information in an efficient and effective manner to their students. Therefore, when Libyan students joined university they found it hard to accept the idea of searching for information out of notes, textbooks and journals as interviewee AZ1 pointed out:

“... students do not have the readiness to absorb this issue [using journals], as they are influenced by their elementary and secondary education where an indoctrination style is dominant. Therefore, if you try to change the views of the students towards the use of journals and periodicals you will find it very difficult and it needs a reform of the Libyan education system in general as it is difficult to reform university education without reforming elementary and secondary education to allow Libyan students to be familiar with journal articles and the internet.”

From this part of the discussion, it is apparent that Libyan accounting lecturers do not supplement their textbooks with additional material because of coercive pressures caused by the lack of funding to schools and universities by Libyan government that has led to a shortage of journals and periodicals in university libraries and use of traditional teaching methods in schools. This in turn means that Libyan accounting students are not being exposed to alternative perspectives into the subject area which limits their awareness of the issues involved in the subject and research skills.

7.5 Factors influencing Libyan Accounting Textbooks

All the interviewees agreed that there were not enough Libyan textbooks in the area of accounting and finance. As shown in Table 7.3, a majority of the interviewees (15) attributed the shortage of Libyan written textbooks to the lack of financial incentives, whereby the salaries of the lecturers of the universities in Libya were very low as interviewee AJ2 stated:

“Writing and research are influenced by external factors. For example, we used to receive less than 500 Libyan dinars a month [£250] and we have families and other obligations which do not help us to write textbooks. However, the situation now is relatively better, yet the prices also rose.”

Interviewee AB8 commented:

“...the economic factor affects time, as many lecturers due to the low salaries collaborate with more than one institution, for example, in the western region of Libya where there is a larger number of universities, lecturers teach in many cities such as Gharian and Surman and Al-Zawya. In addition, many other lecturers work in practice and state agencies. For example, for the last eight years I have worked for the Libyan Tax Authority and therefore I could not do anything such as write articles or textbooks.”

Other interviewees (AT1, AT2, AT3 and AB5) argued that writing textbooks needed a huge effort from the author and the reward was not satisfactory. Most of the lecturers linked the writing of the textbooks with economic return. They preferred to give more teaching in other universities and higher education institutions or in accounting practices and get paid extra rather than spend time on writing a textbook. This indicates that the organisational logic of working in second job is dominant among actors (accounting lecturers) within Libyan universities rather than writing or updating accounting textbooks that could help Libyan students obtain modern information about business environment. In this context, interviewee AT1 argued:

“When you work on a textbook you need 4 to 5 years and you get 4000 to 5000 thousands Libyan dinars [£2000 to £2500] which is not a good return that encourages you to write. As a result I prefer to do more teaching in other universities which is more beneficial.”

Interviewee AZ1 also argued that the Libyan market was too small and it was difficult to market a textbook which was not encouraging.

Table 7.3 Factors Influencing the Lack of Libyan Accounting Textbooks

| Factor | No of Interviewees | Code of the interviewees |
|-----------------------------------|--------------------|--|
| Lack of financial incentives | 15 | A1, A2, A3, A4, A5, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17 |
| Lack of sufficient infrastructure | 7 | A7, A8, A9, A10, A14, A15, A17 |
| Shortage of qualified Academics | 5 | A1, A3, A5, A8, A13 |
| teaching Load | 2 | A2, A15 |
| Large number of Students | 1 | A1 |

Note: this table summarises the views of the interviews on the factors that affect the writing of accounting textbooks in Libya.

In addition, most of the interviewees raised the issue of a lack of financial support from the Libyan government to research which could help in the writing of textbooks. In this context, interviewee AT1 criticised the Libyan government for failing to put sufficient resources to support scientific research and the writing of textbooks:

“In a country like Libya where there is a severe shortage of textbooks the government should have encouraged the writing of the textbooks through supporting academics to undertake research that can help them to write new textbooks.”

The interviewees also related weak research activities to the lack of an appropriate infrastructure in Libyan universities caused by inappropriate funds being allocated to them by the Libyan government. Interviewee AJ2 emphasised the importance of having a suitable environment for academics to be able to do research that could lead them to write textbooks. Further, he went on and said that:

“The infrastructure of Libyan universities does not allow any academic to work on research, where most of the lecturers do not have an office in the university, a personal computer and the internet is also not available.”

This shows that coercive pressures emanating from lack of funding further motivated actors (accounting lecturers) not to conduct research to update their knowledge and help them write updated textbooks as no appropriate infrastructure is available to use.

Interviewee AZ2 linked the lack of attention paid to universities in Libya during the last three decades to the influence of the political situation. In the 1990s Libyan higher education expanded extensively as result of the increase in student numbers. Many new universities and higher institutions were created across Libya to accommodate the increased number of students. At the same time Libya was in a difficult relationship with western countries that Libya had normally depended on to develop its lecturers and academics. This was also coupled with the UN imposing sanctions on Libya that limited the ability of the Libyan government to send students to postgraduate studies abroad. As a result, there was a shortage of lecturers in Libyan universities, including accounting departments. Interviewee AT1 noted:

“There is a historical factor, as there were only three lecturers with a PhD in the accounting department of the University of Tripoli in the 1980s and 1990s with a huge number of students and now we have ten lecturers that have PhDs and the rest are masters holders and the number of students had doubled in the last ten years.”

Interviewee AJ3 argued that the shortage of lecturers had resulted in lecturers teaching in different universities and supervising masters’ level students leaving very limited time for them to write textbooks or do any research leading to that:

“...many Libyan accounting academics could not get promoted to the next academic rank... [he wondered] if the lecturer could not write three articles to get promoted how can he writes a textbook?”

This indicates political coercive isomorphism exerted by the Libyan political environment reinforcing the organisational logic of second job among accounting lecturers as they teach in other higher institutions preventing research activities and the writing and updating of accounting textbooks.

Moreover, when the interviewees were asked about how accounting textbooks reflected the Libyan business environment and accounting profession, thirteen interviewees (AZ1, AT1,

AT2, AT3, AT4, AJ1, AJ2, AJ3, A9, AB2, AB3, AB5 and AB8) stated that most accounting textbook topics did not reflect the needs of the Libyan business environment and accounting profession. They argued that most textbooks were written for the western business environment which in many aspects was extremely different from the Libyan business environment. Interviewee A4 insisted that although the origins of accounting were the same, however accounting should reflect its environment. Further, he pointed out that as Libya did not have its own accounting standards western textbooks should be used as they were more advanced. Interviewee AZ1 agreed on this point:

“Regrettably, Libya is an importer of ideas from others; hence even in the practise field you find each company influenced by its dependency, where you find accounting systems and accounting practises adopted by Libyan companies are American, British or French. Recently, Libyan companies have tried to adopt international financial reporting standards until local accounting standards are developed but this has not happened, thus who ever studies in the UK brought the British accounting practise and whoever studies in the USA brought the American practise and so on.”

Most of the interviewees nevertheless believed that the Libyan accounting education syllabus was more oriented towards the American accounting education and therefore most Libyan accounting textbooks were based on American accounting standards, and that most Libyan accounting textbooks were authored by accounting lecturers that had an American educational background as most of them studied in the US in the 1970s and 1980s. In addition, some interviewees noted that some Libyan accounting textbooks were almost a “copy and paste” of American accounting textbooks; one of the most noted, by almost all the interviewees, was the intermediate accounting textbook that resembled the American intermediate accounting textbook authored by Donald Kieso and Jerry Weygandt. One of the authors of this textbook, namely interviewee AB4, commented on his textbook and described the process of writing this textbook when there was an absence of any Arab intermediate textbook in the 1970s and early 1980s which motivated him to write one to help Libyan students have a textbook to use in their course. He went on and said that “we

had to make a choice between countries without any Arab textbook which is not good for the students as most of them do not know English or to write a textbook in Arabic". He went on and reported that his studies and teaching in one of the American universities influenced his textbook writing to follow the American accounting standards, as he stated that:

“We are of course dependent on the U.S. standards and these standards are always changing, therefore I try to integrate those changes into my book, as you must be in line with them to keep your book up-to-date.”

Interviewee AB3, who was in the teaching field for more than 30 years, also believed that authors of the Libyan accounting textbooks have relied on their accounting education background which was mostly American to write textbooks. Interviewee AB8, the author of the only Libyan textbook on financial statement analysis, was also in agreement with this view and commented on the severe shortage of Arabic written accounting textbooks in Libya when he completed his masters and PhD in the USA and UK in 1980s respectively. He explained that at that time there was only one university that taught accounting in Libya, which was UB, and most of its accounting lecturers were American educated which made them rely heavily on the American accounting education syllabus and textbooks, these were then used by new Libyan accounting departments that were established afterwards. Moreover, he commented on his recent textbook, published in 2005 on financial statement analysis, that this textbook was a collection of his lectures on the course in the last twenty years, where he used mostly English language references of which most were American. Interviewee AZ1 agreed with AB8:

“These textbooks were written as a response to the needs of Libyan students at that time...many of these accounting textbooks are a translation of English written accounting textbooks. As I believe that none of the Libyan authors wrote a textbook out of the blue, they must have read and translated English written textbooks and to come up with a textbook.”

This finding is consistent with studies in developing countries that noted the influence of American accounting education and practice on accounting textbooks (Novin and Baker, 1990; Akathaporn et al., 1993; Yapa et al., 2010; Bobe and Mihret, 2011).

However, interviewees AT1, AZ1, AJ2, AB1, AB2 and AB8 believed that more should be done to update and write textbooks of principles of financial accounting and intermediate accounting. Interviewee AB2 called for an update of the intermediate textbook as this course was very important for the students as this was where they obtained their foundation in accounting. Interviewee AT2 also stated that:

“Generally, our textbooks are old and developments and updates happened on far apart periods. We need to update our textbooks to be in line with the development in accounting science and the American and international standards.”

Interviewee AJ2 agreed with this view, he also argued that accounting lecturers in Libya were restricted by the shortage of the textbooks in the libraries of Libyan universities:

“As the Libyan business environment changes many times in the accounting department we have proposed changes to the accounting courses syllabi to be in line with changes in topics on corporate governance, international auditing standards and international financial reporting standards. Nevertheless, the main obstacles to such developments are the textbooks, we cannot find Arab written textbooks that can be used to develop the syllabus; the English textbooks are in short supply and even though we could use them ourselves, the students cannot use those textbooks.”

Another area that was mentioned by many interviewees was cost and management accounting. They claimed that cost and management accounting need more attention in Libya. Interviewee AB5 pointed out that none of the existing management accounting textbooks were Libyan. He went on and said that most textbooks in the area of cost and management accounting were in cost accounting which led most lecturers to use textbooks from other Arab countries or English written textbooks to teach the management accounting course. These textbooks were mostly not available for students in either the

university library or in the bookshops. Other accounting areas were mentioned by the interviewees such as auditing, internal auditing, financial markets, international accounting and accounting for social responsibility.

Moreover, there was unanimous agreement amongst the interviewees that the Libyan written accounting textbooks written for the Libyan environment, including taxation accounting, governmental accounting and oil accounting, had become outdated. According to the interviewees, the textbook on taxation accounting is the only textbook in Libya written according to the Libyan tax regulations, yet most of the interviewees criticised that textbook for being old and not keeping up to date with the new Libyan commercial code that was issued in 2010. This textbook was last updated in 2007; most of the lecturers claimed that they had difficulties in teaching the taxation course since the Libyan commercial code had changed, as Interviewee AT2 stated:

“This textbook was a very good reference for the taxation course some years ago but now is outdated and really needs to be rewritten according to the new Libyan commercial code issued in 2010.”

Interviewee AB4 also highlighted another problem with this textbook as he noted that the editor had not changed the percentages of the calculation of income tax and other taxes and had not noticed that the law itself had changed, therefore the textbook was not even in line with the income tax Act of 2004.

For the governmental accounting textbook the interviewees were dissatisfied with this textbook as it was also out of date. The textbook was issued in 1990 and has never been updated since. Interviewee AT3 taught governmental accounting; and had difficulty in preparing the syllabus:

“It was very difficult to prepare the syllabus of that course because the only textbook based on Libyan regulations was out of date with many changes happening in the last twenty years.”

The same applied to the oil accounting textbook which was out of date and had not been updated since 1984. The interviewees who taught oil accounting pointed out to a shortage of oil accounting textbooks in Arab in general and criticised this oil accounting textbook of not being up-to-date with the changes in the Libyan oil regulations in the last 10 years as interviewee AB4 noted:

“The theoretical side of the oil accounting textbook can still be used in the teaching of the course of oil accounting, yet the practical side is out of date especially with regard to the EPSAs contracts that have been introduced by the National Oil Corporation in the last 10 years⁴⁰.”

However, only three interviewees (AZ2, AB4 and AB6) believed that recommended accounting textbooks contained topics relevant to the Libyan business environment. Interviewee AB4 argued that “I can say textbooks we use fulfil about 50% of our needs in Libya”, and noted that as there were no Libyan accounting standards, different accounting practices were used within Libyan organisations therefore lecturers were not bounded by any restrictions in using any textbook as they all offered students the necessary knowledge that suited the Libyan business environment. In this regard, interviewee AZ2 claimed that:

“Presumably, as time goes on the lecturer becomes more aware of new developments of the course and the requirements of the local environment. In other words, as the lecturer becomes more aware of the competences required for graduates they will know the topics that should be covered and hence chose the right textbooks.”

The overall findings in this section suggest that coercive pressures from lack of funding, low salaries and changes in the Libyan political environment have prevented the writing and updating of Libyan accounting textbooks which have negative educational consequences for Libyan accounting syllabus and students. The findings also indicate that different logics coexist (Seo and Creed, 2002; Lepoutre and Valente, 2012) among actors

⁴⁰ This refers to the Exploration and Production Sharing Agreements (EPSAs) that govern the relationships between the Libyan National Oil Company and International Oil Companies. The first EPSAs was introduced by the Libyan Government in 1974 and since then various versions of the EPSA have been released with latest EPSA-IV were introduced for the first time alongside with Libya's first post-sanctions licensing round in 2005 (Booth and Kordvani, 2012).

(Libyan accounting lecturers). Libyan accounting lecturers express beliefs that the current practice is not the appropriate one as they are motivated by the professional academic logic but the conflicts with coercive pressure which has led to normative isomorphic practices that have embedded the organisational logics of having second jobs and no research activities among Libyan accounting lecturers. Lecturers have institutionalised these practices and this has been further entrenched as the lack of financial incentives promotes the belief among Libyan accounting lecturers that writing textbooks is not important. The findings also reveal that normative isomorphism from American accounting education and practice has affected Libyan accounting textbooks content as most of the authors of Libyan accounting textbooks have an educational background from American universities. However, it seems that the coercive pressures mentioned above have prevented the authors of these textbooks from keeping abreast with the latest developments in the US and internationally. The findings also indicate that accounting textbooks written for the Libyan environment are out of date because of the same coercive pressures. Hence, there is an urgent need to write textbooks in all areas of accounting as a result of shortage of the Libyan accounting textbooks as this is very important since the university programmes is the main channel to educate and train accountants in Libya as there is no further professional exams are taken after graduation. The following section further investigates these influences via analysing the content of a sample of Libyan accounting textbooks.

7.6 Content Analysis of Libyan Accounting Textbooks

This section reports on the results of a content analysis of Libyan accounting textbooks to further examine the factors identified earlier upon the content of Libyan accounting textbooks through looking at influences from: (i) international environment; (ii) America; (iii) United Kingdom; (iv) Rest of the World; (v) Arab countries; and (vi) Libya. As shown in Table 7.4, seven Libyan financial accounting textbooks were selected for content

analysis (see Chapter 5). All these textbooks were used and recommended by the accounting lecturers at the four Libyan universities including by the accounting lecturers interviewed. All the selected textbooks were written by Libyans and were first published in the 1980s and 1990s except for the financial statement analysis textbook which was first published in 2005 as the first Libyan textbook in the area of financial analysis. This reflects the changes in the Libyan economy in 2004 that led to the expansion of the private sector and hence the beginning of a change in the ownership structure of Libyan companies.

The content analysis of this study used a word count as the coding unit to measure the representation of each factor within the entire chapters of the textbooks, excluding tables of contents and lists of references. The words used and their synonyms are presented in Appendix 5.3.

Table 7.4 Selected Libyan Financial Accounting Textbooks for Content Analysis

| Code | Courses | Title and author(s) of textbooks | Date of 1 st edition | Date of Current Edition | No of pages | No of chapters |
|------|--|--|---------------------------------|-------------------------|-------------|----------------|
| PFA | Principles of Financial Accounting | Al-Sharief, Y, H and Bet Al-Mal, M, M and Hsad, Y, M (2004) <i>Principles of Financial Accounting</i> , 6ed, Benghazi, Garyounies University | 1989 | 2004 | 525 | 13 |
| IA | Intermediate Accounting | Al-Hasy,G, G., Ben Gharbya, S, M and Bet Al-Mal, M, M (2006) <i>Intermediate Accounting</i> , 4ed, Benghazi, Garyounies University | 1988 | 2006 | 656 | 18 |
| ALLC | Accounting for Limited Liability Companies | Husseney, S (1998) <i>Accounting for Limited Liability Companies</i> , Tripoli, The Open University | 1998 | 1998 | 574 | 7 |
| TA | Taxation Accounting | Abozreada, M, A (2007) <i>Taxation Accounting</i> , Gharyan, University Library | 1987 | 2007 | 426 | 19 |
| OA | Oil Accounting | Abozreada, M, A (2000) <i>Oil Accounting Scientific Bases and its Practise</i> , Beirut, The Arab Development Institute | 1985 | 2000 | 555 | 10 |
| FSA | Financial Statements Analysis | Al-Hasady, S,S (2005) <i>Analysis of Financial Statements</i> , Tripoli, The National Office of Research and Development | 2005 | 2005 | 444 | 12 |
| GA | Governmental Accounting | Ben-Gharbya,S, M and Blkher, A,F (2001) <i>Accounting for Public Funds and National Accounting</i> , Sirte, Aldar Al-Jamahiriya for Publishing, Distribution and Advertising | 1991 | 2001 | 368 | 12 |

Note: This table summarises the descriptive information of the selected Libyan accounting textbooks for content analysis.

A visual inspection of Table 7.5 reveals that international influences appear infrequently in the Libyan accounting textbooks. There are only twenty six mentions of the international environment in all seven Libyan accounting textbooks. Fifteen mentions come from IA textbook and most of these come from one chapter of the textbook which is chapter two entitled “International Accounting Bodies”. Notably in the remaining seventeen chapters of this textbook there is no mention of the international environment at all. This clearly shows how little international developments are represented in this textbook in particular or in the other six Libyan accounting textbooks, such as mention of the IASB and IFRS. It further stresses the findings of the interviews that the lack of funding and research has led Libyan accounting textbooks being not up-to-date with developments in international accounting and the business environment. This limits the opportunity for Libyan lecturers to be aware of important developments or who can use English written textbooks given the fact that Libyan students’ lack of English proficiency and the severe lack of Arab textbooks that contain information about international developments. Libyan accounting students need to learn about these topics and global developments as there is a growing connection between Libya and the rest of the world in recent years, leading the Libyan economy, slowly, towards a market-based economy. At present this not possible.

Table 7.5 International Mentions in Libyan Accounting Textbooks

| Words | Textbook | | | | | | | |
|---|----------|----|----|-----|----|----|------|-------|
| | PFA | IA | TA | FSA | OA | GA | ALLC | Total |
| Globe/ Global | 0 | 4 | 0 | 4 | 1 | 0 | 0 | 9 |
| International Accounting Standards Board (IASB) | 0 | 3 | 0 | 1 | 0 | 0 | 0 | 4 |
| International Accounting Standards (IASs) | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 4 |
| Organisation for Economic Co-operation and Development (OECD) | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| World Bank | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| International Financial Reporting Standards (IFRSs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| World Trade Organisation (WTO) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| International Education Standards (IESs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| International Public Sector Accounting Standards Board (IPSASB) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| International Monetary Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Global Economy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 15 | 2 | 7 | 1 | 1 | 0 | 26 |

Note: This table summarises the frequency of words reflecting the international development in the Libyan accounting textbooks. PFA =Principles of Financial Accounting, IA = Intermediate Accounting, TA = Taxation Accounting, FSA= Financial Statements Analysis, OA = Oil Accounting, GA = Governmental Accounting, ALLC = Accounting for Limited Liability Companies.

In contrast, the result of the content analysis shows in comparison to “international” the significant influence of America on Libyan accounting textbooks. According to Table 7.6, America was mentioned 98 times in the seven Libyan accounting textbooks selected. OA and IA textbooks had the highest word counts regarding the US, 47 and 23 times respectively. This was followed by FSA and PFA textbooks with 16 and 11 times. For the other three textbooks only 1 word count was in the taxation accounting textbook while there was no mention of America in the GA and ALLC textbooks. One possible reason for the absence of an American influence on these textbooks is that these three textbooks were specifically written based on Libyan regulations. Thus, American accounting seems to strongly influence in the content of Libyan financial accounting textbooks. For example, in IA textbook it is entirely dependent on references from the American accounting bodies such as FASB and AICPA. In chapter three of that textbook “Accounting Assumptions and Principles”, for instance, the textbook illustrates the significance and objectives of financial statement using Statement of Financial Accounting Concepts No1 issued by FASB in 1980.

In chapter five “Statement of Financial Position” the definitions of assets is quoted directly from the Accounting Principles Board Statement No. 4 and Statement of Financial Accounting Concepts No. 3. It also noteworthy to mention that throughout the other chapters of IA textbook there are many references to the American accounting body the AICPA. In addition, OA textbook makes use of significant references to America. For example, the word America and its synonyms were mentioned 27 times throughout the text. It is also noteworthy to mention that in all seven textbooks analysed there was mention of Generally Accepted Accounting Practises (GAAP) without specifying which GAAP⁴¹. However, from the content analysis and the interviewees American GAAP is the main focus of these Libyan accounting textbooks and hence the courses. The authors of OA and IA and PFA and FSA textbooks are from the University of Benghazi and all of them studied their postgraduate studies at American universities. Hence, it appears that normative pressures have emanated from American accounting education and practice and have influenced the content of Libyan textbooks as the educational background of the authors of these textbook are from American universities. This finding also accords with studies in developing countries that indicate an American influence on accounting textbooks (Akathaporn et al., 1993; Bobe and Mihret, 2011).

⁴¹ Despite IFRS now are coming in Libya (see Chapter 2).

Table 7.6 America Mentions in the Libyan Accounting Textbooks

| Words | Textbook | | | | | | | |
|---|-----------|-----------|----------|-----------|-----------|----------|----------|-----------|
| | PFA | IA | TA | FSA | OA | GA | ALLC | Total |
| United States (US) | 2 | 9 | 1 | 3 | 27 | 0 | 0 | 42 |
| American Institute of Certified Public Accountants (AICPA) | 4 | 1 | 0 | 2 | 11 | 0 | 0 | 18 |
| Financial Accounting Standards Board (FASB) | 2 | 5 | 0 | 5 | 1 | 0 | 0 | 13 |
| American Accounting Association (AAA) | 2 | 2 | 0 | 1 | 7 | 0 | 0 | 12 |
| Statement of Financial Accounting Standards (SFAS) | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 5 |
| Accounting Principles Board Statements (APBS) | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Accounting Research Bulletins | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Statement of Financial Accounting Concepts (SFAC) | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Accounting Principles Board (APB) | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Federal Accounting Standards Advisory Board (FASAB) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| US Generally Accepted Accounting Principles (US GAAP) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Governmental Accounting Standards Board (GASB) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| American Association of Attorney-Certified Public Accountants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Association of Government Accountants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institute of Internal Auditors (IIA) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institute of Management Accountants (USA) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| National Association of State Boards of Accountancy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| US laws and regulations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sarbanes-Oxley Act | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| US Security and Exchange Commission (SEC) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| US Stock Exchange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NASDAQ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| US Economy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 11 | 23 | 1 | 16 | 47 | 0 | 0 | 98 |

Note: This table summarises the frequency of words that represents the American influences on the Libyan accounting textbooks. PFA =Principles of Financial Accounting, IA = Intermediate Accounting, TA = Taxation Accounting, FSA= Financial Statements Analysis, OA = Oil Accounting, GA = Governmental Accounting, ALLC = Accounting for Limited Liability Companies.

In contrast, there were very few mentions of the UK in Libyan accounting textbooks, as shown in Table 7.7. The IA textbook contained the most mentions of the UK with 10 word counts, mostly from chapter two on “International accounting bodies” in the explanation of some of the historical developments of accounting bodies in the world. Compared to the American influence the UK influence seems much lower as there is no reference to UK standards despite the historical connection of Libya and the UK and the fact that the UK has been the destination of many Libyan accounting students to complete their

postgraduate studies since 1980s due to the political relationship between Libya and the US. For example, the ICAEW was mentioned once in IA textbook in a table that lists the founder members of the International Accounting Standards Committee (IASC) on page 58.

Table 7.7 United Kingdom Mentions in Libyan Accounting Textbooks

| Words | Textbook | | | | | | | Total |
|--|----------|-----------|----------|----------|----------|----------|----------|-----------|
| | PFA | IA | TA | FSA | OA | GA | ALLC | |
| United Kingdom (UK) | 1 | 1 | 2 | 3 | 3 | 0 | 0 | 10 |
| England | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| The Institute of Chartered Accountants in England and Wales (ICAEW) | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 3 |
| Ireland | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Scotland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial Reporting Standards (FRS) (UK GAAP) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Statements of Standard Accounting Practice (SAAPs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| The Association of Chartered Certified Accountants (ACCA) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| The Chartered Institute of Management Accountants (CIMA) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| The Chartered Institute of Public Finance and Accountancy (CIPFA) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| The Institute of Chartered Accountants of Scotland (ICAS) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institute of Chartered Accountants in Ireland (ICAI) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UK laws and regulations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UK Stock Exchange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 10 | 2 | 3 | 4 | 0 | 0 | 21 |

Note: This table summarises the frequency of words that represents the United Kingdom influences on the Libyan accounting textbooks. PFA =Principles of Financial Accounting, IA = Intermediate Accounting, TA = Taxation Accounting, FSA= Financial Statements Analysis, OA = Oil Accounting, GA = Governmental Accounting, ALLC = Accounting for Limited Liability Companies.

For countries from the rest of the world, other than the US, UK and Arab countries, there were 147 word counts in total. Table 7.8 shows that most of these (121) came from the IA textbook but this does not represent any significant influence in the textbook as most of them came from just three tables on pages 56, 57, 58 and 59. These tables list the requirements of preparing financial statements and their contents in some developing countries. Other than that there was very little reference to the rest of the world in the Libyan textbooks which shows the little contact that Libya had with these countries including Italy the previous occupier of Libya.

Table 7.8 Rest of the World Mentions in the Libyan Accounting Textbooks

| Words | Textbook | | | | | | | |
|--|----------|------------|----------|----------|----------|----------|----------|------------|
| | PFA | IA | TA | FSA | OA | GA | ALLC | Total |
| Others (Developed and Developing Countries) | 0 | 121 | 0 | 0 | 7 | 0 | 0 | 128 |
| Italy | 2 | 1 | 7 | 0 | 0 | 0 | 0 | 10 |
| Australia / Institute of Chartered Accountants in Australia (ICAA) | 0 | 4 | 0 | 0 | 1 | 0 | 0 | 5 |
| Europe | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 4 |
| European Union | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 3 | 127 | 7 | 1 | 9 | 0 | 0 | 147 |

Note: This table summarises the frequency of words that represents the rest of the world, excluding the US and UK and Arab countries, influences on the Libyan accounting textbooks. PFA =Principles of Financial Accounting, IA = Intermediate Accounting, TA = Taxation Accounting, FSA= Financial Statements Analysis, OA = Oil Accounting, GA = Governmental Accounting, ALLC = Accounting for Limited Liability Companies.

With regard to Arab countries' influence, there was also very little influence on Libyan accounting textbooks, as presented in Table 7.9. However, as expected Egypt was mentioned more than any other Arab country with 11 word counts. Most of the Egyptian mentions were in the taxation accounting textbook. Little mention to Arab countries was expected as most of the writers of the textbooks studied in the US and the Libyan accounting practise has been oriented towards the US. Further, most Arab countries use international standards in their accounting practises therefore most of them also rely on the western accounting textbooks which make Libyan writers use the original English written textbooks rather than Arab textbooks and references. However, some Arab countries, such as Egypt and Jordan, have been the destination of some Libyan accounting postgraduate students during the last twenty years as a result of the bad relationship between Libya and the west which resulted in difficulties in getting visas to study in the USA and UK for Libyan students. This does not seem to have affected Libyan accounting textbooks contents to date.

Table 7.9 Arab Countries Mentions in Libyan Accounting Textbooks*

| Words | Textbook | | | | | | | Total |
|----------------------|----------|----|----|-----|----|----|------|-------|
| | PFA | IA | TA | FSA | OA | GA | ALLC | |
| Egypt | 1 | 2 | 6 | 0 | 0 | 0 | 3 | 11 |
| Palestine | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 9 |
| Jordan | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Saudi Arabia | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 2 |
| United Arab Emirates | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Tunisia | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Syria | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| The Arab League | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Kuwait | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Iraq | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Total | 1 | 2 | 17 | 2 | 2 | 0 | 8 | 32 |

Note: This table summarises the frequency of words that represents Arab countries influences on the Libyan accounting textbooks. PFA =Principles of Financial Accounting, IA = Intermediate Accounting, TA = Taxation Accounting, FSA= Financial Statements Analysis, OA = Oil Accounting, GA = Governmental Accounting, ALLC = Accounting for Limited Liability Companies.

* This table does not include all items that were searched for in the textbooks but rather items were mentioned. Full list of the items are included in Appendix 5.3.

According to Table 7.10, there are a lot of mentions of Libya in the TA, OA and GA textbooks with 214, 177 and 47 respectively. Despite this high number of word counts for Libya in these three textbooks, it seems that the content of these textbooks has become irrelevant to the recent Libyan business environment. In particular, OA textbook has the most word counts of the Libyan environment as it was written according to the Libyan oil laws and regulations. Yet, this textbook has never been updated since first published in 1985 which makes it out of date with the new oil regulations issued after 2003 as result of the return of the western oil companies to Libya. TA textbook also is based on the Libyan commercial code that was issued in 2004, however this code is not valid any more as a new commercial code was issued in 2010 with different taxation requirements and percentages. Given the fact that there is no other Libyan textbook for this course, as reported earlier in the interviews, Libyan accounting lecturers find it difficult in teaching Libyan accounting students the latest developments in the taxation regulations in Libya. Equally, GA textbook is out of date as it has not been updated since it was first published in 1990. The course of governmental accounting is one of the most important courses in the Libyan accounting syllabus given the importance of the public sector in Libya. The Libyan government has been the key player in the Libyan economy as it owns most of the organisations and its

public agencies also dominate the services sector. Therefore, Libyan students should gain good foundation knowledge in this area to be able to meet the demand of the Libyan state's organisations and agencies. The governmental accounting textbook has been superseded by many changes in Libyan laws and regulations in the last twenty years such as the income tax law 2004, law No 12 for the working relationships between Libyans 2010 and commercial law 2010.

Table 7.10 Libyan Context Mentions in the Libyan Accounting Textbooks

| Words | Textbook | | | | | | | Total |
|--|-----------|-----------|------------|----------|------------|-----------|-----------|------------|
| | PFA | IA | TA | FSA | OA | GA | ALLC | |
| Libya | 11 | 4 | 45 | 0 | 113 | 1 | 1 | 175 |
| Income Tax Law No. 11 of 2004 | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 100 |
| Great Socialist People's Libyan Arab Jamahiriya | 8 | 0 | 20 | 0 | 15 | 18 | 0 | 61 |
| Libya's Petroleum Law 1953 | 0 | 0 | 0 | 0 | 60 | 0 | 0 | 60 |
| Commercial Code 1953 | 4 | 6 | 0 | 0 | 0 | 0 | 37 | 47 |
| General People's Committee | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 7 |
| Libyan Tax Authority | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 4 |
| Law No. 16 (1973) (to organise the Libyan accounting profession) | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 3 |
| People's Committee | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Libyan Accountants and Auditors Association (LAAA) | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| General People's Committee of Finance | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| General People's Congress | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| Libyan Central Bank (LBC) | | 0 | 1 | 0 | 0 | | 0 | 1 |
| Institute of Public Control (IPC) | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Basic People's Congresses | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Third Universal Theory | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Total | 35 | 13 | 177 | 0 | 214 | 47 | 38 | 524 |

Note: This table summarises the frequency of words that represents Libyan context influences on the Libyan accounting textbooks. PFA =Principles of Financial Accounting, IA = Intermediate Accounting, TA = Taxation Accounting, FSA= Financial Statements Analysis, OA = Oil Accounting, GA = Governmental Accounting, ALLC = Accounting for Limited Liability Companies.

* This table does not include all items that were searched for in the textbooks but rather items were mentioned. Full list of the items are included in Appendix 5.3.

The content analysis results also show that there are very few mentions of the Libyan business environment in PFA and IA textbooks which are widely used by Libyan accounting lecturers as the interviewees reported. According to Table 7.10, there are 35 and 13 word counts for Libyan context in PFA and IA textbooks respectively. Although it seems that there is a reasonable number of word counts for Libya in the principles of accounting textbook, most of the mention of the Libyan business environment is in chapter

one “Definition of Accounting and its importance”. For example, there is a section in this chapter about the development of accounting in Libya but this section is only one page long and in another section of this chapter there is a very short mention of the users of accounting within the Libyan business environment that only takes up a few lines. For IA textbook the word count for Libya was smaller (13) with very little influence on the content of this textbook. In addition, ALLC textbook had 38 word counts for Libya which is very low as this textbook was intended to be written for the Libyan business environment in accordance with Libyan laws and regulations that relate to limited liability companies. Notably, the FSA textbook had no mention of Libya at all. These findings show that the content of Libyan accounting textbooks does not keep abreast with developments that occur in Libya and hence Libyan lecturers do not find appropriate textbooks to assist them in preparing syllabus. This may mean that Libyan students are not gaining enough knowledge about the latest developments in the Libyan context that allow them to work effectively after graduation.

Overall the findings from this section emphasise the interview findings that normative pressures stemming from American accounting education and practice have impacted on the content of Libyan accounting textbooks. The educational background of the authors of those textbooks in the USA means that they rely on American accounting, publications and American accounting textbooks and references. In particular, most of those authors were from UB which emphasises its leading role as an exemplar in setting the syllabus of accounting education in Libya which may then copied by other Libyan universities. Notably, international developments have very little impact in Libyan textbooks. The UK and the rest of the world and the Arab countries also have very little influence. Despite the fact there are accounting textbooks written specifically for the Libyan business environment, the content analysis results show that these textbooks are out of date and need

to be rewritten to keep abreast with the changes that are taking place in the Libyan business environment. This is consistent with the case study results which reported that Libyan accounting lecturers are prevented from accessing new reference materials such as journals and periodicals and conferences as well as conducting research. This reflects coercive pressures emanating from the political environment and a lack of funding.

7.7 Summary

This chapter analyses and reports the findings of interviews and content analysis on the institutional factors influencing Libyan accounting textbooks. The interview findings reveal that accounting departments in Libyan universities do not have a systematic process of selecting accounting textbooks. The lecturers of the courses are mainly responsible for the selection of the textbooks. The findings also indicate that coercive isomorphism caused by insufficient funding allocated by the Libyan government to universities' libraries influences accounting lecturers' and students' use of textbooks. This has led to an embedded organisational logic of using personal notes and extracts from English language publications rather than encouraging students to use textbooks or to read around the topics; this has negative educational consequences as students do not have a deeper approach to learning or an understanding of their subjects and do not improve their research skills.

The findings also indicate that the choice of accounting textbooks in Libya is influenced by coercive pressures from the Libyan government and Libyan political environment. The lack of funding, low salaries and changes in the Libyan political environment has prevented the writing and updating of Libyan accounting textbooks which have negative educational consequences on Libyan accounting students. This has led to an embedded organisational logic of having a second job and no research activity among Libyan accounting lecturers. These practices are accepted by lecturers although they contradict and have decoupled from

their professional academic logic that motivates lecturers' actions, but due to coercive influences actual practice has become institutionalised and is further entrenched as the lack of financial incentives promotes the belief among Libyan accounting lecturers that researching and writing textbooks is not important. The findings also reveal that these coercive pressures negatively influence the selection of textbooks and the use of supplementary material. The accounting lecturers as actors are prevented from recommending up-to-date textbooks and are forced to recommend accounting textbook that are only available in their university libraries; however there are few textbooks and most are out of date and/or irrelevant to the Libyan business environment. This suggests that Libyan universities accounting syllabi are not updated to keep abreast with the latest developments in the accounting or the Libyan business environment. This is reinforced by the interview findings whereby the review and change of accounting textbooks among Libyan accounting lecturers is rare which might suggest that Libyan accounting lecturers have a limited chance of being aware of new publications and developments in accounting. Thus, Libyan accounting students are not exposed to alternative perspectives into the subject area which limits their awareness of the issues or the ability to think critically and question. This also was supported by the results of the content analysis of accounting textbooks which indicates that they are not up-to-date with the latest developments in the Libyan environment or internationally. However, normative isomorphism from American accounting education and practice has affected the content of Libyan accounting textbooks as most of the authors of Libyan accounting textbooks have educational backgrounds from American universities. Hence, there is an urgent need to write textbooks in all areas of accounting that meet the needs of the Libyan business environment to influence accounting lecturers and students alike.

In general, the findings of this chapter are consistent with the findings of the case study of Chapter 6 which reported that coercive pressures emanating from the political environment resulting in a lack of funding affected accounting education in Libyan universities. These pressures have embedded an organisational logic of second jobs and not conducting research that prevents the Libyan accounting syllabus from being updated to keep abreast with the latest developments in accounting and Libyan business. The overall findings of the interview and content analysis in this chapter reveal that coercive isomorphism has resulted in lack of funding and low salaries and that changes in the Libyan political environment have predominately influenced accounting textbooks' selection, review, use and content leading to a decoupling of accounting education practice in Libyan universities from normative expected practice as there is a lack of appropriate textbooks that Libyan accounting lecturers can rely on to update their syllabus and which Libyan accounting students can consult and read more deeply about the subject area. The next chapter provides a general discussion and conclusion.

Chapter 8: Conclusion and Summary

Chapter 8

Conclusion and Summary

8.1 Introduction

This thesis uses a new institutional sociology perspective to investigate the influences over accounting education practices in Libyan universities and the dominant logic of Libyan accounting academics. Evidence was collected through a case study of one Libyan university, including perceptions of accounting academics, documents and observations, as well as evidence regarding accounting textbooks from interviews with accounting academics and a content analysis of the textbooks used at four Libyan universities to identify the influences on the development of the curriculum and syllabus and teaching methods in Libya. This chapter presents a general discussion of empirical findings and ties them into the research questions of the thesis and its theoretical framework. This chapter is structured as follows. Section 8.2 presents a summary of the research. Section 8.3 discusses the main research findings and ties them up to the research questions. Section 8.4 highlights the main contribution to knowledge of the research followed by Section 8.5 which presents the policy implications of the findings of the study. Section 8.6 outlines the key limitations of the research. Section 8.7 proposes avenues for future research, and final section 8.7 presents concluding thoughts.

8.2 Summary of the Research

This thesis comprises eight chapters. Chapter 1 presents an introduction about the research topic and focus, objectives, research questions and structure. Chapter 2 outlines the Libyan context including general background of the country and its demographic, social, historical and political environment as well as the development of higher education, accounting education and the accounting profession in Libya.

Chapter 3 reviews the literature related to accounting education, such as the historical development of accounting education, and criticisms and problems encountered by accounting education, first in the west (USA, UK and Australia) and then in developing countries in general. Chapter 4 discusses the theoretical framework adopted to understand and interpret the research findings. A new institutional sociology perspective is used in this thesis to explore the types of institutional pressures which have shaped current accounting education practices and the organisational logics of Libyan accounting academics in Libyan universities.

Chapter 5 describes the research methodology and methods, and justifies the selection of the research paradigm, methodology and methods that are adopted in this study. An interpretive methodological approach is adopted to provide an explanation of institutional factors influencing accounting education practices and the organisational logics of accounting academics within Libyan universities. Chapters 6 and 7 present and analyse the findings of the empirical work, a case study and analysis of textbooks. These methods were adopted to collect the primary data of this thesis. The case study investigates accounting education practices in one Libyan university to identify the institutional factors influencing them and the logics of accounting academics. Regarding textbooks, interviews and a content analysis are used to investigate how textbooks influence accounting education practices in Libyan universities.

8.3 Research Findings

This section discusses the major findings and ties them in with the research questions of:

(i) What institutional pressures (factors) influence accounting education practices in Libyan universities?; and (ii) what is the dominant logic of Libyan accounting academics?

The next sections discuss and summarise the major findings of the thesis in order to answer these questions.

8.3.1 Institutional Factors that influence Accounting Education Practices

This section discusses the evidence collected from the empirical work to help to answer the first research question: “*What institutional pressures (factors) influencing accounting education practises in Libyan universities?*”

The findings of Chapters 6 and 7 show that different institutional pressures influence accounting education practices in Libyan universities as follows. The accounting curriculum and syllabus of Libyan universities since the start of the accounting programme in 1957 at UB has been influenced by normative and mimetic pressures from British and American accounting education, transferred by accounting lecturers who had their educational background in those countries. The British influence was dominant in the first two decades of the programme until 1976 when it then shifted to the American universities accounting curriculum and syllabus, which has become institutionalised ever since. This has been further embedded through Libyan accounting textbooks as most of the authors of Libyan accounting textbooks have educational backgrounds from American universities.

Nevertheless, the current practice of accounting education in Libyan universities is predominately a result of coercive pressure stemming from the political context and political regime resulting in a lack of funding that has largely inhibited normative or mimetic isomorphism from the rest of the world’s accounting education practices. Changes in the Libyan political environment have exerted pressure on accounting education in Libyan universities in different ways that prevent the actors (accounting lecturers) networking together to influence practice. This has resulted because of: (i) the elimination

of the English language from being taught at schools; (ii) restrictions on the development and training of accounting lecturers abroad particularly in the UK and USA; and (iii) Libyan accounting lecturers being prevented from attending conferences and subscribing to academic journals and scientific periodicals. Thus, accounting education practices in Libyan universities reflect coercive pressure from (the previous) political regime of Libya when Gaddafi's rule intervened in the universities' affairs that resulted in a dysfunctional academic environment that hindered the development of the accounting curriculum and syllabus. In addition, the lack of funding allocated by the Libyan government to universities has resulted in low salaries being paid to academics and a shortage of financial resources allocated to buy educational material such as textbooks, journals and other reference material or to build and maintain educational facilities such as libraries and classes.

The influence of this coercive pressure has resulted in the lack of a systematic development and update of the accounting curriculum and syllabus and hence the syllabus has become outdated and irrelevant to the needs of Libyan accounting students or to the profession. In addition, the teaching methods adopted to deliver the accounting syllabus are traditional methods such as lectures and tutorials that are led by teachers with little interaction with students which limits the skills development of Libyan accounting students. Further, the findings of Chapter 7 reinforce these results as the selection, use and content of textbooks is outdated and is negatively influenced by political and financial coercive pressures. Accounting lecturers in Libyan universities are prevented from selecting up-to-date textbooks, reviewing their textbooks or using supplementary material, which suggests that accounting syllabi of Libyan universities are not being updated to keep abreast with the latest developments in international accounting or the Libyan business environment. Hence, there is an urgent need to write textbooks in all areas of accounting that can meet

the needs of Libyan accounting lecturers and students alike, as well as the Libyan accounting profession and business. These coercive pressures have influenced the actors (accounting lecturers) to embed a dominant organisational logic among them, as outlined below.

8.3.2 The Dominant Organisational Logic of Libyan Accounting Academics

The second research question is: *“What is the dominant logic of Libyan accounting academics”?*

The findings of Chapters 6 and 7 indicate that having a second job and not conducting research has become the dominant organisational logic among Libyan accounting lecturers. The political and financial coercive pressures mentioned in the previous section contradict the actors’ professional academic logic that should encourage them to develop and update the Libyan universities’ accounting curriculum, syllabus, teaching methods and textbooks. The findings of the case study of UB show that accounting lecturers believe that the accounting curriculum, syllabus and teaching methods all need to be improved and updated. The findings of Chapter 7 also indicate that accounting textbooks are not up-to-date. This has resulted in the actors’ community of practice being decoupled from normative practice. Having a second job and a lack of research have hindered the development of the curriculum and syllabus and prevented the use of innovative teaching methods or the writing and updating of accounting textbooks. Further, these practices have become institutionalised and are continually reproduced by the actors who legitimise and promote their own behaviour which becomes embedded further as the lack of funding, low salaries and financial incentives promote the beliefs among Libyan accounting lecturers that conducting research and writing and updating accounting textbooks and supplementing material are not important.

8.4 Contribution to Knowledge

This thesis contributes to our knowledge in a number of ways. First, it reports on accounting education practices in Libyan universities, adding to literature on accounting education in general and in accounting education in Libya.

Further, this thesis contributes to enriching the knowledge of the current practices of accounting education in Libyan higher education. In this regard, it sheds the light on issues related to the development and update of the curriculum and syllabus, teaching methods and selection, use, writing and updating of accounting textbooks.

The main contribution made by this thesis is the use of new institutional sociology perspective as a lens to conduct the work and interpret the findings, since such a perspective has not been regularly adopted in accounting education literature in general and developing countries in particular. In this respect, this thesis presents a general understanding of different institutional factors that influence accounting education practices and the dominant logic of accounting academics in Libyan universities. Further, it provides evidence of the most significant institutional pressures influencing accounting education practices in Libyan universities. In this regard, the findings provides evidence that coercive pressure stemming from the political environment, political regime and lack of funding are the most significant in shaping current accounting education practices in Libyan universities, resulting in the embedded logics of having a second job and not conducting research.

Further, this thesis is the first study that utilises qualitative methods (case study and interviews) to study accounting education in Libya, which fosters a deeper understanding of factors influencing undergraduate accounting education practices in Libya.

This thesis also takes into account the Libyan historical, cultural and political environment and their influences on accounting education practice, which provides assistance to Libyan universities in formulating future strategies regarding accounting education practice.

8.5 Policy Implications

In light of the findings of this thesis, Libyan regulatory bodies, the Libyan government and Libyan higher education authorities need to embark on addressing the barriers and obstacles that hinder the development of accounting education practices in Libyan universities. Libyan universities should be given more autonomy to manage their affairs which could lead to a rise in morale and satisfaction among Libyan academics hence improving the accounting learning process. In addition, the Libyan government should consider allocating appropriate financial resources to universities to spend on enhancing their infrastructure such as buildings, classes and access to the internet as well as educational recourses such as textbooks, journals, scientific periodicals and electronic databases. Further, Libyan authorities should consider increasing the salaries of university lecturers as it is important that Libyan accounting academics are paid decent salaries that save them from working in second jobs and grant them opportunities to attend conferences, seminars and workshops and build up networks to share practice that will help them upgrade their knowledge and skills and thus effectively perform their educational duties, conduct research and write textbooks. However, this should be accompanied with devising standards of performance appraisal that ensure more accountability among accounting academics for their activities in Libyan universities.

8.6 Limitation and Problems Related to Conducting the Research

There are some limitations to the findings of this study that should be considered. The first limitation is related to the small number of respondents on which the study focuses. This

thesis carried out 26 interviews (9 and 17) with accounting academics which might not reflect the perceptions of all accounting academics in Libyan universities. However, the use of other methods that could have increased the number of participants, such as a questionnaire survey was very difficult given the political changes in Libya at the time that led to a dangerous security situation and made it very hard to collect any evidence for this thesis.

The case study and interviews were conducted during an unstable political period which did not allow eliciting the perceptions of other stakeholders of accounting education such as regulators, students and practitioners; nevertheless, it obtained the views of academics who have first-hand experience with the phenomena investigated and who also work in accounting practices. In addition, as the case study was conducted in January 2011 when Libya was under Gadhafi's rule, the impact of this may have had an effect on consistency and objectivity of some of the interviewees' responses if questions were considered to be of a political nature. This may be so because the interviewees had a fear of speaking freely about political issues such as Gaddafi's intervention on university governance which was dangerous during Gaddafi's rule as explained in Chapter 2. It is also worth mentioning that during the first empirical field work (case study) the researcher was unable to go back to the city of Benghazi to continue interviewing academics and observing the educational and general conditions as result of the start of 17th February revolution of 2011 that led to a dangerous security situation in Libya thus the researcher had to change plan and went back to the UK with great difficulty in getting out of the country at that time.

Another limitation to this study is related to the content analysis of accounting textbooks. The number of Libyan accounting textbooks analysed (7) may not represent all Libyan written textbooks in the area of accounting and finance. However, the selected textbooks

were cautiously selected as they are widely used among Libyan accounting academics. Further, the content analysis approach used involved some element of judgment in the selection of items searched for in the textbooks; a degree of subjectivity was involved. Nevertheless, this element of subjectivity was minimised as much as possible; Chapter 5 presented the steps followed to ensure that content analysis yielded reliable and valid measures.

In addition, the researcher faced a research problem of finding a theoretical framework, as there are no prior studies on accounting education in Libya or developing countries that use a theoretical framework to follow. Eventually, a worthwhile theoretical framework of a New Institutional Sociology theory was adopted based on the researcher's knowledge of the country itself and many extensive discussions with the researcher's supervisors and other PhD colleagues.

8.7 Future Research Avenues

Study about accounting education in Libya generally and in Libyan universities, in particular, are rare. Indeed, there is a vast gap in the literature about accounting education in Libya, and hence, there is a significant and urgent need for more studies on accounting education in general and, in particular, on aspects of accounting education such as on teaching methods and learning styles.

One of the proposals of this study is to investigate strategies that could be adopted to improve accounting education in Libya to motivate the process of change in the organisational logic of current practices from second jobs and not conducting research to be based on a professional academic logic that encourages research that could keep Libyan universities' accounting curriculum and syllabus constantly relevant. This research could

involve the views of different stakeholders of accounting education such as academics, regulators, students, professional accountants and employers in Libya.

Research also could be conducted to investigate how changes in the Libyan political, economic and business environment shape knowledge and the generic skills needed by practitioners that could help accounting academics design a relevant accounting curriculum, syllabus and textbooks.

Moreover, researchers could examine the teaching methods that could be used in Libyan universities to teach accounting and develop generic skills in Libyan accounting students that can assist them after graduation to make a positive contribution to Libyan society.

8.8 Concluding Thoughts

In conclusion, the findings of this thesis indicate that Libyan accounting education practices are influenced by political factors that prevented the development and update of accounting education programmes to occur. These barriers need to be addressed to improve accounting education practices in Libyan universities.

It is hoped that the findings of this thesis will provide useful insights for the new Libyan educational authorities who are currently embarking on a process of reviewing the laws and regulations inherited from Gaddafi's time so that universities can lead further research. Moreover, at the beginning of my research I had little idea about what challenges and possibilities doing a PhD would entail. As I progressed in my research I realised that this is the biggest challenge I have faced in my life which was further toughened due to the unstable political and security situation in my home country that negatively influenced my emotional and psychological status. However, the help of Almighty ALLAH, my family

and the supportive academic context including outstanding supervisors and PhD colleagues made it possible for me to finalise my thesis. Now, I often think of other questions that I could have asked, or another topic that is possibly interesting to follow up. I am looking forward to starting the next stage of my next research.

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Appendices

Appendix 5.1
Interviews Questions for Accounting Academics of UB



Accounting Education in Libya: An Institutional Perspective
Case Study: Semi-Structured Interview Questions
Accounting Academics

Background information:

Participant:..... Age: ☐ 20-30, ☐ 30-40, ☐ 40-50, ☐ over 50

Number of years in teaching:.....

Number of years in practice:.....

Membership of professional bodies:.....

Study abroad:..... If yes in which country:..... Year of
graduation:.....

Part A: Development of Accounting Syllabus

1. How is the syllabus developed and how is the content reviewed and updated?
2. What are the main factors influencing the syllabus and its development and why do you think these are the main factors?
3. Is the syllabus relevant to the needs of the Libyan business, the Libyan accounting profession and students?

If yes, how?

If no, why?

4. To what extent does the syllabus teach/develop:
 - (a) Professional accounting knowledge (IES 2)
 - (b) Professional skills (IES 3)
 - (c) Ethics, values and attitudes (IES 4)
 - (d) General education (IES 3)
5. How do teachers become aware of national and international developments introduced into the syllabus?
6. Are undergraduate accounting degree syllabi the same in all Libyan universities?
If yes why do you think so? If not why not?

Part B: Delivery of Accounting Syllabus

1. How is the accounting syllabus delivered and why is it delivered this way?
2. How do you teach/develop:
 - (a) professional knowledge (IES 2)
 - (b) professional skills (IES 3)
 - (c) ethics, values and attitudes (IES 4)
3. For each of these what are the main factors influencing the teaching methods that you use and why do you use these?
4. Which assessment methods are used and why?
5. Do you use the same assessment methods for IES 2, 3, 4?
6. To what extent are knowledge, skills and values each assessed and are they different or the same?

7. What are the main factors influencing assessment and why?

Part C: Influences on Development of Syllabus and Teaching and the Purpose of Higher Education

1. Who or what are the most powerful influences over the development, delivery and advancement of your undergraduate accounting degree and why are these most important?
2. What is the purpose of higher education and why do you think this?
3. What is the purpose of an undergraduate degree in accounting and why do you think this?
4. Who are the beneficiaries of undergraduate accounting degree education?
5. If you could, how would you change:
 - (a) the syllabus
 - (b) the way the syllabus is developed
 - (c) the delivery of the syllabus
 - (d) anything else? If so why?
6. Is there anything else I should have asked you or you wanted to tell me?



التعليم المحاسبي في ليبيا
أسئلة المقابلات
جزء من الدراسة الميدانية: دراسة حالة
أساتذة المحاسبة في جامعة بنغازي

معلومات عامة:

- رمز المشارك:
1. السن : ☐ 30-20 ☐ 40-30 ☐ 50-40 ☐ أكثر من 50
2. المؤهل العلمي: ☐ ماجستير ☐ دكتوراة أخرى:
3. مدة الخبرة في المجال الأكاديمي:
4. مدة الخبرة في ممارسة مهنة المحاسبة:
5. العضوية في الهيئات المهنية:
6. هل درست في الخارج: ☐ نعم ☐ لا إذا كانت الإجابة نعم ماهي الدرجة الأكاديمية التي تحصلت عليها:
- سنة التخرج:
-

أ. اعداد و تطوير مناهج مرحلة البكالوريوس في المحاسبة

- 1 كيف يتم اعداد المناهج وكيف يتم مراجعة و تحديث محتوياتها؟
- 2 ما هي العوامل الرئيسية التي تؤثر في إعداد المنهج وتطويره ولماذا تعتقد ان هذه العوامل هي الرئيسية؟
- 3 هل المناهج التي تدرس حالياً تقي باحتياجات بيئة الأعمال الليبية ،و مهنة المحاسبة الليبية, وكذلك الطلاب؟ إذا كان الجواب نعم ، كيف؟ إذا كان الجواب لا ، لماذا؟
- 4 إلى أي مدى المنهج يعلم / يطور:
- المعارف المحاسبية المهنية المعيار 2
- المهارات الفنية المعيار 3
- الأخلاق والقيم والمواقف المعيار 4
- المواد العامة
- 5 كيف يتعرف الاساتذة علي احدث التطورات المحلية و الدولية التي تدخل في المناهج؟

6 هل المناهج الجامعية في مجال المحاسبة متشابهة في جميع الجامعات الليبية؟ إذا كان الجواب نعم لماذا تعتقد ذلك؟ إذا كان لا لماذا ؟ (ماهي العوامل التي ادت الي التشابه والإختلاف)

ب. التدريس والتقييم في مرحلة البكالوريوس في المحاسبة

1 كيف يتم تدريس درجة البكالوريوس في المحاسبة وماهو السبب انها تدرس بهذه الطريقة؟

2 كيف يتم تدريس/ تطوير التالي:

- (أ) المعرفة المهنية المعيار 2
- (ب) المهارات المهنية المعيار 3
- (ت) الأخلاق والقيم والمواقف المعيار 4
- (ث) المعارف العامة المعيار 4

3 بالنسبة لكل من هذه ما هي العوامل الرئيسية التي تؤثر على أساليب تدريس هذه المكونات التي تستخدم ولماذا تعتقد ان هذه العوامل رئيسية؟

4 ما هو أسلوب التدريس وإلقاء المحاضرات الذي تفضله ولماذا؟

5 إلى أي مدى يتم تقييم المعارف, المهارات المهنية، الأخلاق و القيم والمواقف وهل نفس الأساليب تستخدم لتقييمها؟

6 ما هي العوامل الرئيسية التي تؤثر في أساليب التقييم، ولماذا تعتقد ان هذه العوامل رئيسية؟

ج. العوامل المؤثرة علي التدريس ، والهدف من التعليم العالي

1 من أو ما هي أقوى العوامل المؤثرة على تطوير , وتدريس ، والنهوض ببرنامج البكالوريوس في المحاسبة في جامعتك ولماذا تعتبر هذه أهم العوامل؟

2 ما هو الهدف من التعليم العالي ولماذا تعتقد ذلك؟

3 ما هو الغرض من الحصول على درجة البكالوريوس في المحاسبة ولماذا تعتقد ذلك؟

4 من هم المستفيدون من درجة البكالوريوس في المحاسبة؟

5 إذا كان ذلك ممكنا كيف تريد الاتي ان يتغير:

- (أ) المنهج
- (ب) الطريقة التي يتم بها تطوير المناهج
- (ت) طرق تدريس المنهج
- (ث) أي شيء آخر؟ إذا كان الأمر كذلك لماذا؟

6 هل هناك ماتريد ان تضيفه فيما يتعلق بالتعليم المحاسبي في جامعتك؟

Appendix 5.2
Interviews Questions for Libyan Accounting Academics



Accounting Education in Libya: An Institutional Perspective
Semi-Structured Interview Questions
Accounting Academics

Background Information:

1. Participant:..... University
2. Age: ☐ 20-30, ☐ 30-40, ☐ 40-50, ☐ over 50
3. Number of years in teaching:.....
4. Area of teaching:.....
5. Number of years in practice:.....
6. Membership of professional bodies:.....
7. Study abroad:..... If yes in which country:.....
8. Year of graduation:.....

1. Is there a process of reviewing and changing recommended textbooks in your university? If yes could you outline the process please?

2. Do you teach any of these courses?

- a. Accounting Principles (1) (2),
- b. Intermediate Accounting (1) (2),
- c. Accounting for Limited Liability Companies,
- d. Taxation Accounting,
- e. Oil Accounting,
- f. Financial Analysis and
- g. Governmental Accounting

3. If so what are your current recommended textbooks? And If not, what you teach and which textbooks do you use?

4. How often on average would you say that a recommended textbook is reviewed as the course textbook by you and why this often?

1-2 years 2-3 years 3-4 years 4-5 years more than 5 years every new edition of the book

5. How often is the recommended textbook changed as the course textbook by you and why this often?

1-2 years 2-3 years 3-4 years 4-5 years more than 5 years every edition of the book

6. Will you change any of your textbooks next year? And if so why? To which textbook? If not why not?

7. Do you supplement the textbook with any other materials (e.g. Journal articles, newspaper articles) and if so what are they? Why do want to supplement the textbook?

8. How do you become aware of alternative textbooks that you could use?

9. To what extent do you feel Libyan students' needs, the Libyan accounting profession's needs and the needs of the business environment are reflected in your recommended textbooks?

10. Do you think there are enough Libyan written textbooks? If yes could you name some? If not why are there not enough available?

11. What new textbooks would you like to see written (subjects and level) and Why?

12. Are there any incentives within the Libyan academic environment to encourage people to write textbooks?

13. What are the most important factors in choosing a textbook for a course?

14. To what extent do you think that any of the following factors influences the process of selecting and/or changing a textbook?

- (a) The textbook is written in English
- (b) The textbook is written in Arabic
- (c) The textbook is from USA
- (d) The textbook is from UK
- (e) The textbook is from Arab country
- (f) The textbook is from Libya
- (g) The textbook is used in American universities
- (h) The textbook is used in UK universities
- (i) The textbook is used in universities in other Arab countries
- (j) The textbook is used in other Libyan universities
- (k) The textbook addresses the Libyan business context
- (l) The textbook is cheap to buy
- (m) The textbook is already in the university library
- (n) The textbook is in other Libyan institution's libraries
- (o) The textbook is available to buy from bookshops in Libya
- (p) Student feedback on textbooks
- (q) Recommendations from other academics
- (r) Author's nationality, qualifications and experience?

15. Are there any other factors affecting the selection and change of textbooks?

16. 23. What are your opinions of following textbooks?

| No | Textbook |
|----|--|
| 1 | Al-Sharief, Y, H and Bet Al-Mal, M, M and Hsad, Y, M , <i>Principles of Financial Accounting</i> , 6ed, Binghazi, Garyounies University |
| 2 | Al-Hasy,G, G., Ben Gharbya, S, M and Bet Al-Mal, M, M (2006) <i>Intermediate Accounting</i> , 4ed, Benghazi, Garyounies University |
| 3 | Husseney, S (1998) <i>Accounting for Limited Liability Companies</i> , Tripoli, The Open University |
| 4 | Abozreada, M, A (2007) <i>Taxation Accounting</i> , Gharyan, University Library |
| 5 | Abozreada, M, A (2000) <i>Oil Accounting Scientific Bases and its Practise</i> , Beirut, The Arab Development Institute |
| 6 | Al-Hasady, S,S (2005) <i>Analysis of Financial Statements</i> , Tripoli, The National Office of Research and Development |
| 7 | Ben-Gharbya,S, M and Blkher, A,F (2001) <i>Accounting for Public Funds and National Accounting</i> , Sirte, Aldar Al-Jamahiriya for Publishing, Distribution and Advertising |



التعليم المحاسبي في ليبيا
أسئلة المقابلات
للتعرف علي العوامل المؤثرة علي اختيار واستخدام كتب المحاسبة
أساتذة المحاسبة

معلومات عامة:

- رمز المشارك:
1. السن : ☐ 30-20 ☐ 40-30 ☐ 50-40 ☐ أكثر من 50
2. المؤهل العلمي: ☐ ماجستير ☐ دكتوراة ☐ أخرى:
3. مدة الخبرة في المجال الأكاديمي:
4. مدة الخبرة في ممارسة مهنة المحاسبة:
5. العضوية في الهيئات المهنية:
6. هل درست في الخارج: ☐ نعم ☐ لا إذا كانت الإجابة نعم ماهي الدرجة الاكاديمية التي
تحصلت عليها: في أي بلد
..... سنة التخرج:

(أ) عملية اختيار الكتب و مراجعتها

9. هل هناك عملية مراجعة وتغيير لكتب المحاسبة المستخدمة او الموصى بها في جامعتك؟ إذا كانت الإجابة بنعم هل يمكن أن تشرح لنا هذه العملية من فضلك؟ اذا لا لماذا لا توجد؟

10. هل تدرس أي من هذه المواد؟

1. مبادئ المحاسبة (1) (2)،
2. محاسبة متوسطة (1) (2)،
3. محاسبة شركات الاشخاص،
4. محاسبة ضريبية،
5. محاسبة نفط،
6. التحليل المالي و
7. محاسبة الاموال العامة

إذا كان الأمر كذلك فما هي الكتب المستخدمة او الموصى بها حاليا لهذه المواد؟ إذا لا، ماذا تدرس و ما هي الكتب التي تستخدمها؟

11. كم مرة في المتوسط تقوم بمراجعة الكتاب المستخدم او الموصى به، ولماذا هذه الفترة بالذات؟

2-1 سنوات 3-2 سنوات 4-3 سنوات 5-4 سنوات أكثر من 5 سنوات كل طبعة جديدة من الكتاب

12. كم مرة في المتوسط تقوم بتغيير الكتاب المستخدم او الموصى به، ولماذا هذه الفترة بالذات؟

2-1 سنوات 3-2 سنوات 4-3 سنوات 5-4 سنوات أكثر من 5 سنوات في كل طبعة من الكتاب

13. هل سوف تقوم بتغيير أي من الكتب المستخدمة او الموصى بها او المستخدمة من قبلك في العام القادم؟ وإذا كان الأمر كذلك لماذا؟ و إلى أي كتاب؟ إن لم يكن كذلك لماذا لا؟

14. هل تقوم بتكميل او بتدعيم الكتاب الموصى به بأي مواد أخرى (على سبيل المثال , مواد من مجلة علمية، مقالات من الصحف)، وإذا كان الأمر كذلك فما هي؟ لماذا تريد أن تكمل او تدعم الكتاب الموصى به او المستخدم من قبلك ؟

15. كيف يمكنك أن تصبح على معرفة الكتب البديلة (المكملة) التي يمكن ان تستخدم؟

16. إلى أي مدى تشعر ان الكتاب الموصى به او الذي تستخدمه يعكس احتياجات طلبة المحاسبة الليبيين, واحتياجات مهنة المحاسبة الليبية, واحتياجات بيئة الأعمال الليبية؟

17. هل تعتقد أن هناك ما يكفي من الكتب الليبية المكتوبة في مجال المحاسبة؟ إذا نعم, هل باستطاعتك تسمية البعض؟ إذا لا لماذا تعتقد انها غير متوفرة بالعدد الكافي؟

18. ماهي كتب المحاسبة الجديدة التي تود أن تكتب في ليبيا (من حيث الموضوعات والمستوى) ولماذا؟

19. هل هناك أي حوافز ضمن البيئة الأكاديمية الليبية لتشجيع على كتابة كتب في مجال المحاسبة؟ اذا نعم, هل تستطيع ذكر بعضها, اذا لا لماذا تعتقد انها غير موجودة او ضعيفة؟

20. ما هي أهم العوامل التي تؤثر في اختيارك للكتاب للمادة التي تدرسها؟

21. إلى أي مدى تعتقد أن أي من العوامل التالية تؤثر في عملية اختيار و/أو تغيير الكتاب الموصى به او المستخدم من قبلك؟

(1) ان يكون الكتاب باللغة الإنجليزية

- (2) ان يكون الكتاب باللغة العربية
- (3) ان يكون الكتاب من الولايات المتحدة الأمريكية
- (4) ان يكون الكتاب من المملكة المتحدة
- (5) ان يكون الكتاب من دولة عربية
- (6) ان يكون الكتاب من ليبيا
- (7) ان الكتاب مستخدم في الجامعات الأميركية
- (8) ان الكتاب مستخدم في جامعات المملكة المتحدة
- (9) ان الكتاب مستخدم في الجامعات في الدول العربية الأخرى
- (10) ان الكتاب مستخدم في الجامعات الليبية الأخرى
- (11) ان الكتاب يتناول بيئة الأعمال الليبية
- (12) ان الكتاب رخيص الثمن
- (13) ان الكتاب بالفعل موجود في مكتبة الجامعة
- (14) ان الكتاب متوفر في مكتبات مؤسسات تعليمية او بحثية اخري في ليبيا
- (15) الكتاب متاح للشراء من محلات بيع الكتب في ليبيا
- (16) ملاحظات الطلبة
- (17) توصيات من الأكاديميين الآخرين
- (18) جنسية، ومؤهلات وخبرة مؤلف الكتاب؟
22. هل هناك أي عوامل أخرى تعتقد انها تؤثر في اختيار وتغيير الكتب المستخدمة او الموصي بها في جامعتك؟

23. ما رأيك في مضمون و موضوعات الكتب التالية؟

- (1) مبادئ المحاسبة المالية, يونس حسن الشريف وآخرون (2004)، بنغازي: منشورات جامعة قاريونس
- (2) المحاسبة المتوسطة، جمعة خليفة الحاسي، سالم بن غربية، محمد مفتاح بيت المال (2006) الطبعة الرابعة، بنغازي: منشورات جامعة قاريونس
- (3) المحاسبة في شركات الأشخاص صادق الحسيني (1998) طرابلس، منشورات الجامعة المفتوحة
- (4) المحاسبة الضريبية، مختار علي ابوزريده (2007) طرابلس
- (5) محاسبة النفط اصولها العلمية و تطبيقاتها، مختار علي ابوزريده (2000) غريان
- (6) تحليل القوائم المالية، سالم اسماعيل الحصادي (2005) طرابلس
- (7) محاسبة الأموال العامة والمحاسبة القومية، سالم بن غربية، احمد فرج بالخير (2001) الطبعة الثالثة، بنغازي

Appendix 5.3 Coding Guidelines

Synonyms and decision rules

The counting of words includes the main texts of the books as well as footnotes, examples and end-chapter questions. The words in the footnote are including only if it was not mentioned in the main text. It also excluded the references and the indices.

| (i) International | |
|---|--|
| International Federation For Accountants (IFAC) الاتحاد الدولي للمحاسبين | For the purpose of this study no synonym was applied |
| International Accounting Standards Board (IASB) مجلس معايير المحاسبة الدولية | International Accounting Standards Committee (IASC) was deemed to be equivalent term for the purpose of this study |
| International Financial Reporting Standards (IFRSs) معايير التقارير المالية الدولية | For the purpose of this study no other synonym was applied |
| International Accounting Standards (IASs) المعايير الدولية للمحاسبة | For the purpose of this study no other synonym was applied |
| Organisation for Economic Co-operation and Development (OECD) منظمة التعاون الاقتصادي والتنمية | For the purpose of this study no other synonym was applied |
| World Trade Organisation (WTO) منظمة التجارة العالمية | For the purpose of this study no other synonym was applied |
| International Education Standards (IESs) المعايير الدولية للتعليم | For the purpose of this study no other synonym was applied |
| International Public Sector Accounting Standards Board (IPSASB) مجلس المعايير الدولية لمحاسبة القطاع العام | For the purpose of this study no other synonym was applied |
| Globe العالم | For the purpose of this study no other synonym was applied |
| Global Economy الاقتصاد الدولي | For the purpose of this study no other synonym was applied |
| United nation الامم المتحدة | For the purpose of this study no other synonym was applied |
| World Bank البنك الدولي | For the purpose of this study no other synonym was applied |
| International Monetary Fund صندوق النقد الدولي | For the purpose of this study no other synonym was applied |

| | |
|---|---|
| (ii) Western Influence: | |
| United States (US) الولايات المتحدة | United State, US, USA, America |
| US Generally Accepted Accounting Principles (US GAAP) مبادئ المحاسبة المقبولة عموماً في الولايات المتحدة | US Generally Accepted Accounting Principles (US GAAP), American Generally Accepted Accounting Principles (GAAP) |
| Accounting Research Bulletins نشرات البحوث المحاسبية | For the purpose of this study no other synonym was applied |
| Accounting Principles Board (APB) مجلس مبادئ المحاسبة | For the purpose of this study no other synonym was applied |
| Accounting Principles Board Statements (APBS) بيانات مجلس مبادئ المحاسبة | For the purpose of this study no other synonym was applied |
| Federal Accounting Standards Advisory Board (FASAB) المجلس الاتحادي الاستشاري لمعايير المحاسبة | For the purpose of this study no other synonym was applied |
| Financial Accounting Standards Board (FASB) مجلس معايير المحاسبة المالية | For the purpose of this study no other synonym was applied |
| Statement of Financial Accounting Standards (SFAS) US بيان من معايير المحاسبة المالية (الولايات المتحدة) | For the purpose of this study no other synonym was applied |
| Statement of Financial Accounting Concepts (SFAC) بيان في مفاهيم المحاسبة المالية | For the purpose of this study no other synonym was applied |
| Governmental Accounting Standards Board (GASB) مجلس معايير المحاسبة الحكومية | For the purpose of this study no other synonym was applied |
| American Association of Attorney-Certified Public Accountants الجمعية الأمريكية للمحاسبين المعتمدين | For the purpose of this study no other synonym was applied |
| American Institute of Certified Public Accountants (AICPA) المعهد الأمريكي للمحاسبين القانونيين | For the purpose of this study no other synonym was applied |
| Association of Government Accountants جمعية محاسبين الحكومة | For the purpose of this study no other synonym was applied |
| Institute of Internal Auditors | For the purpose of this study no other synonym was applied |

| | |
|--|---|
| معهد المدققين الداخليين (IIA) | |
| Institute of Management Accountants (USA) معهد المحاسبين الإداريين (الولايات المتحدة) | For the purpose of this study no other synonym was applied |
| National Association of State Boards of Accountancy الرابطة الوطنية لمجالس المحاسبة | For the purpose of this study no other synonym was applied |
| American Accounting Association (AAA) رابطة المحاسبة الأمريكية | For the purpose of this study no other synonym was applied |
| National Association of Accountants الرابطة الوطنية للمحاسبين | For the purpose of this study no other synonym was applied |
| US laws and regulations القوانين واللوائح الأمريكية | Any mention of any American laws and regulations even if they are not related to accounting and finance |
| Sarbanes-Oxley Act قانون ساربنز أوكسلي | For the purpose of this study no other synonym was applied |
| US Security and Exchange Commission (SEC) لجنة الأوراق المالية و البورصة الأمريكية | For the purpose of this study no other synonym was applied |
| US Stock Exchange سوق الأوراق المالية الأمريكي | Any mention to any USA stock exchange markets |
| US Economy الاقتصاد الأمريكي | US economy, USA economy, American Economy |
| | |
| United Kingdom (UK) المملكة المتحدة | For the purpose of this study no other synonym was applied |
| England انجلترا | For the purpose of this study no other synonym was applied |
| Scotland اسكتلندا | For the purpose of this study no other synonym was applied |
| Wales ويلز | For the purpose of this study no other synonym was applied |
| Ireland أيرلندا | For the purpose of this study no other synonym was applied |
| Financial Reporting Standards (FRS) (UK GAAP) معايير التقارير المالية (مبادئ المحاسبة المقبولة عموما في المملكة المتحدة) | For the purpose of this study no other synonym was applied |
| Statements of Standard Accounting Practice (SAAPs) | For the purpose of this study no other synonym was applied |

| | |
|--|--|
| تصريحات الممارسات المحاسبية الموحدة | |
| The Association of Chartered Certified Accountants (ACCA) جمعية المحاسبين القانونيين المعتمدين | For the purpose of this study no other synonym was applied |
| The Chartered Institute of Management Accountants (CIMA) المعهد القانوني للمحاسبين الإداريين | For the purpose of this study no other synonym was applied |
| The Chartered Institute of Public Finance and Accountancy (CIPFA) المعهد القانوني للمالية العامة والمحاسبة | For the purpose of this study no other synonym was applied |
| The Institute of Chartered Accountants in England and Wales (ICAEW) معهد المحاسبين القانونيين في انكلترا وويلز | For the purpose of this study no other synonym was applied |
| The Institute of Chartered Accountants of Scotland (ICAS) معهد المحاسبين القانونيين في اسكتلندا | For the purpose of this study no other synonym was applied |
| Institute of Chartered Accountants in Ireland (ICAI) معهد المحاسبين القانونيين في ايرلندا | For the purpose of this study no other synonym was applied |
| UK laws and regulations القوانين واللوائح البريطانية | Any mention of the UK laws and regulations |
| UK Stock Exchange سوق الاوراق المالية البريطاني | Any mention of UK stock exchange markets |
| | |
| Others اخرين | Including Switzerland, Germany, Holland, Canada, Jamaica, France, Sweden, India, Japan, Mexico, Philippines, Taiwan, South Korea, Brazil, Japan, Argentina, Bolivia, Chilli, Colombia, Ethiopia, Iran, Kenya, Malaysia, Nigeria, Pakistan, Peru, Singapore, Venezuela, Democratic Congo, |
| Italy ايطاليا | For the purpose of this study no other synonym was applied |
| Australia/ Institute of Chartered Accountants in Australia (ICAA) استراليا معهد المحاسبين القانونيين في أستراليا | For the purpose of this study no other synonym was applied |
| Europe أوروبا | For the purpose of this study no other synonym was applied |

| | |
|--|---|
| European Union الاتحاد الأوروبي | For the purpose of this study no other synonym was applied |
| | |
| (iii) Arab Countries Influence | |
| The Arab Society for Certified Accountants (ASCA) المجمع العربي للمحاسبين القانونيين | For the purpose of this study no other synonym was applied |
| The Arab League الجامعة العربية | For the purpose of this study no other synonym was applied |
| Egypt مصر | For the purpose of this study no other synonym was applied |
| The Egyptian Society of Accountants and Auditors الجمعية المصرية للمحاسبين والمراجعين | For the purpose of this study no other synonym was applied |
| Egyptians laws and regulations القوانين واللوائح المصرية | Any mention of the Egyptians laws and regulations was counted |
| Egyptian Stock exchange البورصة المصرية | For the purpose of this study no other synonym was applied |
| Egyptian economy الاقتصاد المصري | For the purpose of this study no other synonym was applied |
| Lebanon لبنان | For the purpose of this study no other synonym was applied |
| Lebanese Association of Certified Public Accountants (LACPA) الجمعية اللبنانية للمحاسبين القانونيين | For the purpose of this study no other synonym was applied |
| Lebanese law and regulations القوانين واللوائح اللبنانية | Any mention of the Egyptians laws and regulations was counted |
| Lebanese stock exchange البورصة اللبنانية | For the purpose of this study no other synonym was applied |
| Lebanese economy الاقتصاد اللبناني | For the purpose of this study no other synonym was applied |
| Syria سوريا | For the purpose of this study no other synonym was applied |
| Association of Certified Accountants of Syria (ACAS) جمعية المحاسبين القانونيين في سورية | For the purpose of this study no other synonym was applied |
| Syrian laws and regulations القوانين واللوائح السورية | Any mention of the Egyptians laws and regulations was counted |
| Syrian stock exchange سوق الأوراق المالية السوري | For the purpose of this study no other synonym was applied |
| Syrian economy الاقتصاد السوري | For the purpose of this study no other synonym was applied |
| Saudi Arabia المملكة العربية السعودية | For the purpose of this study no other synonym was applied |

| | |
|---|--|
| Saudi Organization for Certified Public Accountants (SOCPA) الهيئة السعودية للمحاسبين القانونيين | For the purpose of this study no other synonym was applied |
| Saudi stock exchange سوق الأسهم السعودية | For the purpose of this study no other synonym was applied |
| Saudi laws and regulations القوانين والأنظمة السعودية | Any mention of the Saudi laws and regulations was counted |
| Saudi economy الاقتصاد السعودي | Any mention of the Saudi laws and regulations was counted |
| Kuwait الكويت | For the purpose of this study no other synonym was applied |
| Kuwait Association of Accountants and Auditors جمعية المحاسبين والمراجعين الكويتيين | For the purpose of this study no other synonym was applied |
| Kuwait stock exchange سوق الاوراق المالية الكويتي | For the purpose of this study no other synonym was applied |
| Kuwaiti laws and regulations القوانين و اللوائح الكويتية | Any mention of the Kuwaiti laws and regulations was counted |
| Kuwaiti economy الاقتصاد الكويتي | For the purpose of this study no other synonym was applied |
| Iraq العراق | For the purpose of this study no other synonym was applied |
| Iraqi Union of Accountants and Auditors الاتحاد العراقي للمحاسبين والمراجعين | For the purpose of this study no other synonym was applied |
| Iraq stock exchange سوق الاوراق المالية العراقي | For the purpose of this study no other synonym was applied |
| Iraqi laws and regulations القوانين و اللوائح العراقية | Any mention of the Iraqi laws and regulations was counted |
| Iraqi economy الاقتصاد العراقي | For the purpose of this study no other synonym was applied |
| Bahrain البحرين | For the purpose of this study no other synonym was applied |
| Bahrain Accountants Association (BAA) جمعية المحاسبين البحرينية | For the purpose of this study no other synonym was applied |
| Bahraini stock exchange سوق البحرين للاوراق المالية | For the purpose of this study no other synonym was applied |
| Bahraini laws and regulations القوانين و الانظمة البحرينية | Any mention of the Bahraini laws and regulations was counted |
| Bahraini economy الاقتصاد البحريني | For the purpose of this study no other synonym was applied |
| Qatar قطر | For the purpose of this study no other synonym was applied |
| Qatari stock exchange سوق الاوراق المالية القطري | For the purpose of this study no other synonym was applied |
| Qatari laws and regulations القوانين و اللوائح القطرية | Any mention of the Qatari laws and regulations was counted |
| Qatari economy الاقتصاد القطري | For the purpose of this study no other synonym was applied |
| United Arab Emirates (UAE) | For the purpose of this study no other synonym was applied |

| | |
|--|---|
| الإمارات العربية المتحدة | |
| Dubai stock exchange سوق دبي للأوراق المالية | For the purpose of this study no other synonym was applied |
| Abu Dhabi stock exchange سوق أبوظبي للأوراق المالية | For the purpose of this study no other synonym was applied |
| UAE laws and regulations القوانين واللوائح الإماراتية | Any mention of the UAE laws and regulations was counted |
| UAE economy | For the purpose of this study no other synonym was applied |
| Oman عمان | For the purpose of this study no other synonym was applied |
| Oman stock exchange سوق عمان للأوراق المالية | For the purpose of this study no other synonym was applied |
| Omani laws and regulations القوانين واللوائح العمانية | Any mention of the Omani laws and regulations was counted |
| Omani economy الاقتصاد العماني | For the purpose of this study no other synonym was applied |
| Jordan الأردن | For the purpose of this study no other synonym was applied |
| Jordanian Association of Certified Public Accountants (JACBA) الجمعية الأردنية للمحاسبين القانونيين | For the purpose of this study no other synonym was applied |
| Jordan stock exchange سوق الأردن للأوراق المالية | For the purpose of this study no other synonym was applied |
| Jordanian laws and regulations القوانين والأنظمة الأردنية | Any mention of the Jordanian laws and regulations was counted |
| Jordanian economy الاقتصاد الأردني | For the purpose of this study no other synonym was applied |
| Yemen اليمن | For the purpose of this study no other synonym was applied |
| Sudan السودان | For the purpose of this study no other synonym was applied |
| Tunisia تونس | For the purpose of this study no other synonym was applied |
| Algeria الجزائر | For the purpose of this study no other synonym was applied |
| Morocco المغرب | For the purpose of this study no other synonym was applied |
| Mauritania موريتانيا | For the purpose of this study no other synonym was applied |
| Palestine فلسطين | For the purpose of this study no other synonym was applied |
| Dubai دبي | For the purpose of this study no other synonym was applied |
| Abu Dhabi أبوظبي | For the purpose of this study no other synonym was applied |
| | |
| (iv) Libyan Context | |
| Great Socialist People's Libyan Arab Jamahiriya الجمهورية العربية الليبية الشعبية | For the purpose of this study no other synonym was applied |

| | |
|---|--|
| الاستراتيجية العظمى | |
| Libya ليبيا | For the purpose of this study no other synonym was applied |
| Gaddafi القذافي | For the purpose of this study no other synonym was applied |
| Green Book الكتاب الأخضر | For the purpose of this study no other synonym was applied |
| Third Universal Theory النظرية العالمية الثالثة | For the purpose of this study no other synonym was applied |
| General People's Congress مؤتمر الشعب العام | For the purpose of this study no other synonym was applied |
| Basic People's Congresses المؤتمرات الشعبية الأساسية | For the purpose of this study no other synonym was applied |
| People's Committee اللجنة الشعبية | For the purpose of this study no other synonym was applied |
| People's Committee of the production Firms اللجنة الشعبية للمنشآت الإنتاجية | For the purpose of this study no other synonym was applied |
| General People's Committee اللجنة الشعبية العامة | For the purpose of this study no other synonym was applied |
| General People's Committee of Finance اللجنة الشعبية العامة للمالية | For the purpose of this study no other synonym was applied |
| General People's Committee of Economics and Commerce اللجنة الشعبية العامة للاقتصاد والتجارة | For the purpose of this study no other synonym was applied |
| General People's Committee of Oil اللجنة الشعبية العامة للنفط | For the purpose of this study no other synonym was applied |
| National Oil Corporation (NOC) المؤسسة الوطنية للنفط | For the purpose of this study no other synonym was applied |
| Institute of Public Control (IPC) جهاز الرقابة العامة | For the purpose of this study no other synonym was applied |
| Libyan Central Bank (LBC) مصرف ليبيا المركزي | For the purpose of this study no other synonym was applied |
| Libyan Tax Authority مصلحة الضرائب الليبية | For the purpose of this study no other synonym was applied |
| Law No. 16 (1973) (to organise the Libyan accounting profession) القانون رقم 16 (1973) (لتنظيم مهنة المحاسبة الليبية) | For the purpose of this study no other synonym was applied |
| Libyan Public Finance المالية العامة في ليبيا | For the purpose of this study no other synonym was applied |
| Libyan Economy الاقتصاد الليبي | For the purpose of this study no other synonym was applied |
| Libyan Accountants and Auditors Association (LAAA) / Libyan Accountants جمعية المحاسبين والمراجعين الليبية | Any mention to the Libyan Accountants and Auditors Association (LAAA) and Libyan accountants was counted |

| | |
|---|--|
| Commercial Code 1953 قانون تجاري 1953 | For the purpose of this study no other synonym was applied |
| Commercial Code 2010 قانون تجاري 2010 | For the purpose of this study no other synonym was applied |
| Income Tax Law No. 11 of 2004 قانون ضريبة الدخل رقم 11 لسنة 2004 | For the purpose of this study no other synonym was applied |
| Salaries Law No 15 1981 قانون المرتبات رقم 15 1981 | For the purpose of this study no other synonym was applied |
| Law No. (12) for the Working Relationship between Libyans 2010 القانون رقم (12) علاقة العمل بين العاملين الليبيين 2010 | For the purpose of this study no other synonym was applied |
| Law 21 for Practice of Economic Activities 2004 قانون ممارسة الأنشطة الاقتصادية 2004 | For the purpose of this study no other synonym was applied |
| Banking Law 2005 قانون المصارف 2005 | For the purpose of this study no other synonym was applied |
| Corporate Governance Guideline (2006) المبادئ الاسترشادي لحوكمة الشركات (2006) | For the purpose of this study no other synonym was applied |
| Corporate Governance Code (2011) قانون حوكمة الشركات (2011) | For the purpose of this study no other synonym was applied |
| Libyan Companies Law قانون الشركات الليبي | For the purpose of this study no other synonym was applied |
| Libya's Petroleum Law 1953 قانون النفط الليبي 1953 | For the purpose of this study no other synonym was applied |
| Libyan Stock Exchange سوق الأوراق المالية الليبي | For the purpose of this study no other synonym was applied |
| Islamic Accounting المحاسبة الإسلامية | For the purpose of this study no other synonym was applied |
| Islamic Finance التمويل الإسلامي | For the purpose of this study no other synonym was applied |

Appendix 6.1

Curriculum of Undergraduate Accounting Programme at UB 2001-2002

| Compulsory Courses | Hours per Week | Elective courses (Students choose 14 hours) | Teaching hours per week |
|--|----------------|---|-------------------------|
| (i) Core Courses: | | Non-Accounting Courses: | |
| Arabic Language | 3 | English Language in Accounting | 3 |
| Islamic Studies | 3 | MacroEconomics | 3 |
| Civil Law | 4 | Behavioural Science | 3 |
| English Language (1) | 3 | Principles of Marketing | 3 |
| English Language (2) | 3 | Personnel Management | 3 |
| Third Universal Theory | 3 | Introduction of Probabilities Theory | 3 |
| Economic Principles (1) | 3 | Banking and Money | 3 |
| Economic Principles (2) | 3 | Public Finance | 3 |
| Business Administration Principles | 4 | Sampling Methods | 3 |
| Accounting Principles (1) | 3 | | |
| Accounting Principles (2) | 3 | Total hours | 30 |
| Fundamentals of Statistics (1) | 3 | | |
| Fundamentals of Statistics (2) | 3 | | |
| Fundamentals of Math Analysis (1) | 3 | | |
| Fundamentals of Math Analysis (2) | 3 | | |
| Political Science | 3 | | |
| Public Administration | 3 | | |
| Total hours | 53 | | |
| (ii) Specialised Courses: | | Specialised Courses: | |
| Intermediate Accounting (1) | 3 | Accounting for Agriculture Projects | 3 |
| Intermediate Accounting (2) | 3 | Accounting for Service Firms | 2 |
| Principles of computing | 3 | Financial Statements Analysis | 2 |
| Advanced Accounting | 3 | Research Methods | 3 |
| Accounting for Branches and Departments | 3 | Using Computer in Accounting | 3 |
| Cost Accounting | 4 | Field Study | 3 |
| Taxation Accounting | 3 | Advanced Accounting | 3 |
| Oil Accounting | 3 | Cost Accounting | 3 |
| Accounting for Banking and Insurance Firms | 3 | Contemporary Issues in Accounting | 3 |
| Governmental Accounting | 3 | | |
| Management Accounting | 3 | Total hours | 25 |
| Auditing | 4 | | |
| Design of Accounting Systems | 3 | | |
| Total hours | 41 | | |
| (iii) Non-Specialised Courses: | | | |
| Commercial Law | 3 | | |
| MicroEconomics Analysis | 3 | | |
| Production Management | 3 | | |
| Fundamentals of Financial Management | 3 | | |
| Operations Research | 3 | | |
| Total hours | 15 | Total Required Hours | 123 |

Appendix 6.2
Undergraduate Accounting Programme Courses at UB 2010-2011

Compulsory Courses available in First and Second semester (year1)

| Code of Course | Course | Pre- Requirements code | No of hours per week |
|----------------|------------------------------------|------------------------|----------------------|
| 100 | Arabic Language | | 2 |
| 101 | Islamic Studies | | 2 |
| 102 | Civil Law | | 3 |
| 103 | English Language (1) | | 3 |
| 208 | Thought of Masses (1) | | 2 |
| 110 | Principles of Microeconomics | | 3 |
| 120 | Business Administration Principles | | 4 |
| 130 | Accounting Principles (1) | | 2 |
| 140 | Fundamentals of Statistics (1) | | 2 |
| 142 | Fundamentals of Math Analysis (1) | | 2 |
| 109 | Fundamentals of Computing | | 3 |
| 150 | Fundamentals of Political Science | | 3 |
| | | | 31 Hours |

Compulsory Courses available in Third and Fourth Semesters (year 2)

| Code of Course | Course | Pre- Requirements code | No of hours per week |
|----------------|---------------------------------------|------------------------|----------------------|
| 104 | English Language (2) | 103 | 3 |
| 209 | Taught of Masses (2) | 208 | 2 |
| 308 | Thought of Masses (3) | 209 | 2 |
| 309 | Thought of Masses (4) | 308 | 2 |
| 111 | Principles of Macroeconomics | 110 | 3 |
| 131 | Accounting Principles (2) | 130 | 2 |
| 141 | Fundamentals of Statistics (2) | 140 | 2 |
| 143 | Fundamentals of Math Analysis (2) | 142 | 2 |
| 151 | Fundamentals of Public Administration | 150 | 3 |
| 160 | Fundamentals of Marketing | | 3 |
| 170 | Fundamentals of Finance | | 3 |
| 202 | Commercial Law | 102 | 3 |
| | | | 30 Hours |

Compulsory Courses available from Fifth to Eight Semester (years 3 and 4)

| Code of Course | Course | Pre-requirements code | No of hours per week |
|----------------|--|-----------------------|----------------------|
| 230 | Intermediate Accounting (1) | 131 | 3 |
| 231 | Intermediate Accounting (2) | 230 | 3 |
| 330 | Accounting for Limited Liability Companies | 231 | 3 |
| 331 | Accounting for Branches and Departments | 231 | 3 |
| 332 | Accounting for Shareholding Companies | 231 | 3 |
| 333 | Cost Accounting | 231 | 4 |
| 335 | Taxation Accounting | 231- 331 | 3 |
| 336 | Oil Accounting | 231 | 2 |
| 337 | Accounting for Banking and Insurance firms | 231 | 3 |
| 338 | Financial Statements Analysis | 231 | 3 |
| 339 | Governmental Accounting | 231 | 2 |
| 430 | Management Accounting | 333 | 3 |
| 431 | Auditing | 333-339 | 4 |
| 435 | Design of Accounting Systems | 109-333 | 3 |
| 210 | Microeconomics Analysis 1 | 110-142 | 3 |
| 220 | Management of Production Processes | 120-140 | 3 |
| 270 | Fundamentals of Financial Management | 170-230 | 3 |
| 322 | Operations Research | 220 | 3 |
| | | | 54 Hours |

Elective Specialised Courses (9 hours) and Non-Specialised Courses (6 hours)

| Code of Course | Course | Pre-requirements code | No of hours per week |
|----------------|--|-----------------------|----------------------|
| 334 | Accounting for Services Firms | 231 | 2 |
| 433 | Research Methods | 231 | 3 |
| 436 | Applications in Accounting | 109-231 | 3 |
| 530 | Accounting for Holding Companies | 331-332 | 3 |
| 533 | Advanced Cost Accounting | 333 | 3 |
| 537 | Introduction in International Accounting | 332 | 2 |
| 539 | Studies in Accounting | 231 | 3 |
| 105 | English Language (3) | 104 | 3 |
| 211 | Macroeconomics (1) | 111 | 3 |
| 213 | Macroeconomics (2) | 211 | 3 |
| 222 | Organisational Behaviour | 222 | 3 |
| 261 | Sales Management | 120-160 | 3 |
| 262 | Supply Management | 120-160 | 3 |
| 273 | Financial Markets | 170 | 3 |
| 313 | Banking and Money | 211 | 3 |
| 318 | Public Finance | 211 | 3 |
| 373 | Management of Investment Portfolios | 273 | 3 |
| | | | 49 Hours |